Daily Report

Latin America

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FBIS-LAT-95-222 *17 November 1995*

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Cuba

Deputy Prime Minister: 'No Changes' in Ties With U.S.

BR1711104195 Madrid EFE in Spanish 1913 GMT 16 Nov 95

[Unattributed report: "Cuban Deputy Prime Minister: Agreement With EU Is Issue of Mutual Interest"]

[FBIS Translated Excerpt] Madrid, 15 Nov (EFE) — The Cuban Government is willing to sign an agreement of cooperation with the EU and considers it an issue of "mutual interest to Cuba and the whole of Latin America," according to Jose Ramon Fernandez, deputy prime minister, who has traveled through Spain.

At the end of his visit, the Cuban deputy prime minister and Spanish Foreign Minister Javier Solana met in Madrid today and offered a joint news conference at the Foreign Ministry.

Fernandez and Solana discussed bilateral issues and exchanged information on the recent visit to Cuba by the EU troika (Spain, France, and Italy) to establish the first talks on an EU agreement of economic and trade cooperation with Cuba, the only Latin American country with whom the EU has not signed an agreement of this type.

Replying to a question on relations between Cuba and the United States, the Cuban official said that lately "there have been no changes or improvements," and he added that the U.S. media "are obtaining first-hand information, and are better understanding and judging Cuba's situation."

With regard to a statement by Foreign Minister Roberto Robaina that President Fidel Castro is "replaceable," Fernandez said that what he (Robaina) wanted to express in my remark was that there is a new generation prepared to occupy high posts and that some day this change will take place naturally."

"We would mourn the absence of our comrade Fidel, who is the creator, the leader, he who guided the boat of the revolution through hard times; he who did everything to go ahead and the one whom the people of Cuba really want." [passage omitted]

Foreign Minister Comments on NAFTA, Mercosur

PA1611141595 Havana PRENSA LATINA in Spanish 0152 GMT 15 Nov 95

[FBIS Translated Text] Caracas, 14 Nov (PL) — Foreign Relations Minister Roberto Robaina stated today in Caracas that Cuba is inclined toward maintaining the best relations with any type of regional economic organization.

During a press conference with foreign journalists accredited in Venezuela, Robaina commented on his country's position with respect to commercial blocks such as NAFTA between the United States, Canada, and Mexico, as well as Mercosur [Common Market of the South] that include Argentina, Brazil, and Uruguay.

Robaina remarked that from an economic point of view relations do not depend on what Cuba is willing to do with respect to these commercial blocks, but what they are willing to do with respect to the island. However, he pointed out, my country is willing to maintain the best relations with any type of economic organization.

The foreign minister explained that Cuba is very interested in how Mercosur operates because it involves an attempt to reach to a compensatory exchange between nations with different degrees of development. Nevertheless, it is still a very incipient process.

He said that regarding NAFTA, Cuba has had very good relations with some of its members, referring to Canada and Mexico. Cuba is interested in promoting relations with organizations that will benefit everyone not only the most powerful countries.

Hopefully — he stressed — Latin America will become, in its entirety, a free trade zone where every nation will have access to the same benefits and opportunities.

To some degree there is a growing movement toward integration between the subregion and the Association of Caribbean States that was recently constituted in Port-of-Spain. This would mean a lot to the countries of our region, the foreign minister pointed out.

With respect to commercial relations with the rest of Latin America, Robaina remarked that Cuba is demonstrating that it is not only a country that is in need of a lot, but that it is also capable of offering a lot. There are things the Caribbean, Latin America, and the rest of the world may need.

In this respect, he mentioned specific examples such as innovative medication, biotechnology, sugar, and the country's progress in the field of culture, sports, education and science.

With respect to Cuba's debt with Venezuela, Robaina announced the likelihood of shortly holding talks to discuss that issue. He added that working groups have been formed and the Venezuelan Central Bank delegation had been invited to outline a refinancing proposal of Cuba's debt.

In reference to the recent trip of President Fidel Castro to the United States on occasion of the 50th anniversary of the UN, the minister stressed the numerous meetings

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held with U.S. business, academic, journalistic, and public opinion sectors.

He explained that contacts between Cuba and the U.S. Government evolve solely on migration issues and described rumors related to secret negotiations outside that sphere as mere speculations.

In response to a question related to the recent visit to Cuba of an official Russian delegation, the minister pointed out that both countries are on the path toward normalizing relations.

According to Robaina, the visit was outstanding and both countries are establishing the foundation of a relationship totally different from what they previously had.

Robaina also commented on the recent visit to Havana of a EU delegation the objective of which was to explore the likelihood of a cooperation agreement.

Representatives from France, Spain, and Italy were working in the country for a week and were able to express their opinions as well as to cover all the issues they were interested in, the foreign minister indicated.

Government Announces Upcoming U.S. Migratory Meeting

PA1611215595 Havana PRENSA LATINA in Spanish 2019 GMT 16 Nov 95

[FBIS Translated Text] Havana, 16 Nov (PL) — Foreign Ministry spokesman Miguel Alfonso announced here today that Cuba and the United States will soon hold the fifth round of migratory talks, which is part of the normalization of bilateral relations on this topic.

In his usual weekly meeting with the foreign and domestic press, Alfonso said that, according to the rotation, this fifth meeting should be held in New York, United States.

Even though the date of the meeting still has to be set, the Foreign Ministry spokesman trusts that it will be held soon, perhaps before the end of November.

Alfonso said that generally speaking the bilateral migratory topic develops normally.

In reply to a question over recent statements by Richard Nuccio, assistant to President William Clinton for Cuban affairs, on abuses by authorities to emigres from the island, Alfonso replied that "the day still has to come when those authorities show satisfaction with anything Cuba does."

Nevertheless, he added, complaints are only normal, because in all bilateral relations there are details that do not work as each party would like them to.

He reiterated that this is not an aspect that casts any doubt on the migratory process that began with the agreements of September 1994 and May 1995.

These relations, he said, "are characterized by the calmness of the waters, and these are flashes that do not describe the relationship as abnormal or anything like it."

Following the fourth meeting held in Havana in July, both parties agreed that the commitments made have served to fulfill their intention to avoid "unsafe emigration," while at the same time help steer departures through legal means.

By virtue of the agreements signed, the United States pledged to grant no less than 20,000 visas a year to Cubans interested in traveling to the United States and to return to the island those caught on the high seas attempting to enter the United States illegally.

The Cuban authorities have kept their side of the deal by not taking legal or any sort of punitive action against Cubans returned to their country by the U.S. Coast Guard.

With the signing of the migratory agreements with Cuba, the United States, for the first time in three decades, removed the controversial emigration topic from the bilateral political context, which was one of the main sources of conflict between the two countries.

Spain's Foreign Minister Meets Deputy Prime Minister

LD1711002495 Madrid RNE-1 Radio Network in Spanish 2200 GMT 16 Nov 95

[FBIS Translated Excerpt] Today Foreign Minister Javier Solana and Deputy Prime Minister Jose Ramon Fernandez had talks in Madrid. [passage omitted] Our diplomatic correspondent Pedro Fernandez Cespedes reports.

[Fernandez Cespedes] The meeting between the Cuban deputy prime minister and the foreign minister was a formal one. In the end, the talks between Javier Solana and Jose Ramon Fernandez focused mainly on the recent visit to Havana by the EU troika — talks on which the EU delegation will present its report in Brussels on Monday, 20 November. Jose Ramon Fernandez, a member of the armed forces, the deputy prime minister of Cuba, of Asturian origin — that is why they call him the Galician — was optimistic about the materialization of a cooperation agreement, which would be the first one, between Cuba and the EU.

[Begin Fernandez recording] We agree on signing with the EU. I said the conditions under which the

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troika [words indistinct] are not a matter of quid quo pros or of laying down preconditions. It is a matter of listening to them, of harmonizing views and of seeking solutions. I said that some of the aspects, which might be raised by one of the parties may not receive an immediate reply because they require consultation, analysis, and discussion within the government, within the parliament. [end recording]

[Fernandez Cespedes] Always conditions, says the Cuban deputy prime minister, but one of the lines taken by the EU troika in Havana was the need to reform the penal code in order to release 500 political prisoners.

Elections in Cuba: an eternal question, about which the deputy prime minister, Jose Ramon Fernandez, was questioned:

[Begin recording] [Fernandez] Well, [words indistinct] hold elections periodically and I participate in them just as many others participate.

[Indistinct question]

[Fernandez] Well, I imagine that those in prison do not participate in elections in any country. [end recording]

[Fernandez Cespedes] The troika's visit to Havana, the need to sign an economic and trade cooperation agreement with Cuba could well justify a visit to Cuba by Foreign Minister Javier Solana. This visit could be next month, December.

Trade Minister Receives Canadian Delegation

PA1111204395 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 11 Nov 95

[From the "NTV" newscast]

[FBIS Translated Text] Foreign Trade Minister Ricardo Cabrisas received Dwain M. Legenfelter, minister of commerce and economic development for the Canadian province of Saskatchewan, who heads a delegation of officials and businessmen interested in tourism, ecotourism, agriculture, and investment.

The agenda includes discussions about the potential of Cuban oil pipelines and the commercialization of pharmaceutical products, particularly biotechnology.

Cabrisas said he is very satisfied with the visit of the Canadian delegation, which represents several sectors. He added that the meeting will help both parties gather information of interest.

Surinamese Foreign Minister Comments on Visit, Departs

PA1311140095 Havana PRENSA LATINA in Spanish 2024 GMT 12 Nov 95

[FBIS Translated Text] Havana, 12 Nov (PL) — Surinamese Foreign Minister Soebhas Chandra termed as highly beneficial his visit to Cuba, upon returning to his country today.

The head of Surinamese diplomacy told local media that during his visit to the island he was brought up to date on Cuba's economic and social situation; adding his talks with Cuban officials were very favorable regarding the joint goal of strengthening bilateral ties.

The official said that he and the Paramaribo authorities will now analyze the possibility of increasing trade with Havana mainly in the areas of health, education, and sports.

During his visit Chandra met with high-ranking Cuban officials; adding he and his Cuban counterpart, Roberto Robaina, signed and exchanged notes that again enforce agreements signed by the two countries in the early 1980's.

The Surinamese foreign minister traveled to the Antillean island upon invitation from Robaina, accompanied by a delegation that included private sector representatives and experts from different economic sectors in that South American country.

Suriname is a former colony of the Netherlands, independent since 1979, with an extension of approximately 160,000 square kilometers, and its main exports are aluminum, tin, rice, rubber, and sugar.

Cuban, Venezuelan Foreign Ministers Sign Agreements

PA1511191095 Havana PRENSA LATINA in Spanish 0330 GMT 15 Nov 95

[FBIS Translated Text] Caracas, 14 Nov (PL) — The Venezuelan and Cuban foreign ministers, Miguel Burelli Rivas and Roberto Robaina, respectively, today signed two agreements in the areas of economy and tourism at the conclusion of the fourth meeting of the political consultation between the two countries.

The agreements, signed at the main building of the Foreign Ministry, cap a series of intense negotiations started in Havana with the visit by a commission of the Foreign Trade Institute (ICE) in October.

The partial scope agreement establishes tariff preferences for 400 Venezuelan and 230 Cuban products, which means a considerable expansion compared to the

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preferences granted in previous exchange agreements between the two nations. The balance of trade of these agreements is favorable to Venezuela.

In 1988, the two countries agreed to eliminate the tariffs on 25 Cuban and 16 Venezuelan products, whereas in 1990, the list was raised to 43 and 47, respectively.

The agreement, backed by the legal context of the Latin American Integration Association (ALADI), is expanded on this occasion to cover the rendering of services, promotion of investments and joint ventures, and strengthening of communications and transportation paths between the two nations.

Venezuela exports to the Caribbean island nation, plates, steel rods, vulcanized rubber, herbicides, insecticides, inhibitors, and purchases from Cuba not pulverized, cement, human vaccines, iron and steel products, electrical and electronic instruments, and solid sugar among other products.

In the interest of promoting and increasing bilateral and integration relations, Caracas and Havana also decided to sign a cooperation agreement on tourism to promote foreign investments, advise and train human resources, and take advantage of the possibility of multiple destination in tourist packages.

During the talks, the two foreign ministries agreed to create working commissions to analyze different modes to pay Cuba's overdue debts.

The task groups will also analyze the possibilities of cooperation on energy between Venezuelan Petroleum Inc. (PDVSA) and Cubas's Cupet [Cuba Petroleum], basically in the areas of refining and preparation and training of technicians.

Following the signing of the accord, the Cuban minister held a broad meeting with businessmen of the Venezuelan Federation of Associations and Chambers of Commerce and Industry (Fedecamaras).

Venezuelan Foreign Minister: Bilateral Ties To Expand

PA1511215695 Havana PRENSA LATINA in Spanish 0057 GMT 14 Nov 95

[FBIS Translated Text] Caracas, 13 Nov (PL) — Venezuelan Foreign Minister Miguel Angel Burelli Rivas today predicted that his country's relations with Cuba will be more intense and concurred with his Cuban counterpart Roberto Robaina that these are excellent and growing with specific agreements.

Among these possible agreements, Burelli Rivas mentioned the topic of oil and its byproducts and the studies being conducted on the possibility Cuba offers with its idle capacity to refine crude.

The Venezuelan official made those remarks at the conclusion of the inauguration of the fourth meeting of the mechanism of political consultation, which had its first meeting today at the Foreign Ministry building with Robaina in attendance.

He also said there was a great deal of enthusiasm when the participants discussed a major agreement on the exchange of energy in general, in petrochemistry, gasoline, and refining .echnique.

Also, Burelli Rivas noted, we talked about Cuba's debt with Venezuela and the different alternative possibilities to pay it, discussed tourism, where the exchange that exists there is very interesting, and analyzed also forms of cooperation to fight drug trafficking.

We also agreed, he added, to hold a second meeting of that commission during the second quarter of next year to give shape to the procedures that will make it possible to defend Venezuelan and Cuban societies from the scourge of drugs.

We also discussed, Burelli Rivas said, possibilities in mining, since Cuba is a large producer of nickel in association with Canada, and its technology may be useful to us because Venezuela also has nickel.

The Venezuelan official reviewed commercial exchange with the Caribbean nation and cited figures by his country's Foreign Trade Institute, which state that the marketing of products has gone from 230 to 240, something that justifies the preferential tariffs agreement signed this morning.

Burelli Rivas voiced satisfaction over Robaina's presence in Venezuela and said that the peoples of the two nations are very similar in their ways.

Robaina, who met today with President Rafael Caldera at the palace of government, will conclude his visit on Thursday.

Foreign Minister's Visit to Venezuela Continues

PA1711013495 Havana PRENSA LATINA in Spanish 1623 GMT 15 Nov 95

[FBIS Translated Text] Caracas, 15 Nov (PL) — During the third day of his visit to Venezuela, Foreign Minister Roberto Robaina started a work visit to Ciudad Guayana, which is located on the banks of the Orinoco River to the southeast of Caracas.

The foreign minister will tour the region's industrial and economic areas at the invitation of the Venezuelan

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Guayana Corporation and Caroni Electricity Corporation (Edelca).

The visitor will offer a reception in honor of his host, Foreign Minister Miguel Angel Burelli, tonight.

Robaina attended a mass Solidarity with Cuba act and gave a speech on Cuban reality at the auditorium of the Central Venezuela University (UCV) last night. He also answered many questions posed by the people who attended the event.

UCV Director Simon Munoz Armas introduced the Cuban minister and said the UCV was honored with his visit. He also reasserted the Venezuelans' respect and appreciation for the Cuban people.

Munoz recalled historical events shared by both countries and said the friendship between the two nations has been forged in the glorious battles for independence and sovereignty with heroes of the greatness of Simon Bolivar and Jose Marti.

Robaina, on his part, described the Cuban revolution's past years. He said his people had bravely confronted the severe special period, triggered when the United States increased its economic and commercial blockade against his country, during the past five years.

He also referred to his visit to Venezuela and said it was having positive results. He reported the extent of the agreements signed and the perspectives of their bilateral relations, which, he said, are currently at a very important juncture.

After the conference, Robaina answered questions posed by professors, students, and even representatives of the diplomatic corps accredited in Venezuela who attended the event.

The Cuban foreign minister also mentioned Cuba's talks with European Union officials, the meeting with Cubans resident abroad, the conflict between the United States and Cuba, the United Nations voting against the blockade, and the Helms-Burton bill that strengthens the economic siege.

He gave a detailed explanation of the reach of the foreign investment law recently approved by the National Assembly (Parliament), the favorable reception given to it by businessmen all over the world, as well as the support it has received from the Cuban people.

The stimulating encounter turned out to be an excellent exchange of ideas that lasted two hours.

Robaina left for the interior of the country today. He was invited by Venezuelan Guayana Corporation and Venezuelan Petroleum Inc. (PDVSA) authorities to tour the area.

Iranian Commerce Minister Views Possible Investment

PA1711034595 Havana Cuba Vision Network in Spanish 0010 GMT 8 Nov 95

[From the "NTV" newscast]

[FBIS Translated Text] Iranian Commerce Minister Yahya Ol-Eshaq met Basic Industry Minister Marcos Portal this afternoon. Ol-Eshaq expressed interest in the development of the Cuban basic industry in recent years, and the different sectors in which Iranian cooperation might be established. Portal spoke in favor of joint work to fulfill the agreements that might be reached.

During his second day in Cuba, Ol-Eshaq met the tourism and foreign ministers, and the presidents of the Cuban Central Bank and the National Assembly of the People's Government.

[Begin Ol-Shad recording, in (?Persian) fading into Spanish translation] These conversations indicate that there are good prospects for cooperation, good political relations, and, in addition, we are currently trying to strengthen economic relations. [end recording]

Robaina: Replacement for Castro Not 'Priority Topic'

PA1611204495 Mexico City NOTIMEX in Spanish 1848 GMT 16 Nov 95

[By correspondent Edelmiro Franco]

[FBIS Translated Text] Caracas, 16 Nov (NOTIMEX) — Foreign Minister Roberto Robaina termed here today as a "big mistake" the fact that those abroad are more concerned about seeking a replacement for Cuban President Fidel Castro than Cubans themselves.

"I am tired of repeating to the world that the big mistake is to want to look for another Fidel... because another Fidel does not exist," the Cuban foreign minister stated in an interview with NOTIMEX.

For Robaina, the topic of whether or not there is a man in Cuba who can replace Castro in power, in the event the government leader should be amiss, is not a priority topic in the Cubans' current agenda. Their main concern is how to overcome the crisis.

"We have many priorities in the domestic order to take care of, rather than be awaiting a response from abroad," the Cuban foreign minister, who concludes a four-day official visit to Venezuela today, stated.

He said the strategy of the Cubans is not to think or to engage in a discussion on whether or not conditions are given to replace Castro in power.

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"When somebody starts making interpretations on whether or not there is a man or men who can replace (Castro), I would say this has nothing to do with the reality of the Cubans," Robaina stated.

As to whether Raul Castro, Fidel's brother, and chief of the Revolutionary Armed Forces, could be the man to take the reins of power in the country, Robaina was clear in noting that "it could be Raul, Juan, Pedro, or Maria."

"I have said that for the Cubans, if it involves a second in command, that man is Raul, because he has history behind him, because he has tradition. However, a replacement for Fidel is not a priority for Raul, for Fidel, or for the Cubans," Robaina underlined.

He explained that it is one thing to say that Raul is the second in command, something nobody doubts, and it is another thing to say in fact that he is Fidel Castro's replacement.

"Cubans are not thinking of that," he said, adding "we are looking to see how we can overcome our situation and face the future with Fidel."

For Robaina it is Castro himself who has taught the people that the revolutionary project does "not depend on the existence of a person. The continuation of the project depends on the Cubans on the whole, together with Fidel Castro who exists today."

"I am willing to say that Fidel's work in the Cuban project and in the Cuban socialist revolution is above his own physical existence, whether or not Fidel wants it, whether or not he likes it, and whether or not many abroad like it," he said.

What Cubans admire the most about Castro, Robaina said, is how he "exemplifies dignity whenever the country needed it and at the time that it needed it." That is why to the Cuban people the topic of who will replace the chief of the revolution is not "to their liking nor appealing to them."

For Robaina, the concern that exists abroad on what will happen in Cuba after Castro is because the Cuban president continues to represent an ideal in the world.

The insistence on knowing who will replace Castro is "part of the campaign by those who are bothered and irritated that Cuba exists and that it exists with Fidel... and Fidel's ideas will persist, with or without him," he stated.

Deputy Minister Discusses Lime Production

PA1511234795 Havana Radio Rebelde Network in Spanish 1800 GMT 10 Nov 95

[From the "National Radio News"]

[FBIS Translated Text] Deputy Minister Rogelio Reyes summoned workers to improve lime production — utilized to manufacture sugar, build houses, and in other activities — during a continuing national meeting of the Sugar Ministry, which will end in Havana today.

Reyes stated that there is no sugar without lime, to highlight the importance of this product in the industrial process, because mills use lime to clarify sugarcane juice, among other things.

Reyes urged lime plants' managers to increase quarries' production and reduce costs. He also stressed the importance of improving the care of the approximately 5,200 workers in the sector, and developing a scientific and technical program to achieve more efficiency and train the personnel.

During the meeting, participants are reviewing the plants' operations manual and discussing topics such as lime production organization, storage, furnace operation, and utilization of residual materials.

Alarcon Closes Citizens' Rights Meeting

PA1311171295 Havana PRENSA LATINA in Spanish 0214 GMT 11 Nov 95

[By Javier Rodriguez]

[FBIS Translated Text] Havana, 10 Nov (PL) — Ricardo Alarcon, National Assembly of the People's Government [ANPP] president, today said that his country, in a major and serious effort, has been able to guarantee its people the exercise of their basic rights.

Alarcon closed the First International Meeting on the Legal Protection of Citizens' Rights, which was being held in this capital since 6 November and which the Attorney General's Office organized.

The plenum of the meeting had previously approved a motion Honduran delegate Silvia Ayala Figueroa presented decrying the U.S. economic and commercial blockade on the island and declaring it a clear interference on the Cuban people's sovereignty.

After insisting in "the inhuman persistence and toughening of the siege, the motion demands Washington comply with the resolutions of the UN General Assembly and the Ibero-American summit of chiefs of state and government, which also rejected the siege. [no closing quotation mark as received]

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Alarcon pointed out that the Cuban political system guarantees the people's true participation in society, adding that people have played a protagonist and starring role in all aspects of the nation's life.

Today we are developing and broadening this political system from its foundation, always seeking to incorporate the population into all the government exercise tasks, he underscored.

Further on, he talked about the Helms-Burton bill, which the North American Congress is currently debating and the objective of which is to toughen the blockade even more.

It is a policy that is seeking to destroy, through this type of laws, not only the revolution, but also the Cuban nation, eliminate our sovereignty, and hand over the control to the former exploiters, Alarcon maintained as he analyzed the bill.

According to what the Parliament president explained, the Helms-Burton bill, among other objectives, is trying to modify the foundations of the Cuban-U.S. conflict and make the compensation to characters of the Cuban political past a condition for any change in the ties between the two countries.

They want to change, to restructure, and to hand over the country to a new class in which everybody would be North American. However, since that seems to be insufficient, they also want to give back to these people their lost Cuban nationality, as a decision by a parliament that legislates over another country's internal situation, he assessed.

The meeting's resolution stressed the analyses on life and health, the mechanism of citizens' rights legal protection, and the facilitation of penal justice.

Likewise, the ANPP president learned of the guarantees of the abbreviated procedures in the Cuban penal law and of the crisis of formal democracy in a capitalist system.

Attorney General Juan Escalona; Justice Minister Carlos Amat; Rosa Elena Simeon, science, technology, and environment minister; and Ramon De la Cruz, Parliamentarian Constitutional Affairs Commission president, also presided over the closing ceremony.

Workers' Leader Announces Labor Congress Agenda

PA1611003495 Havana Radio Rebelde Network in Spanish 1800 GMT 10 Nov 95

[Report by Sergio Martinez Martinez; from the "National Radio News" newscast]

[FBIS Translated Text] Pedro Ross Leal, secretary general of the Confederation of Cuban Workers [CTC], announced officially in Santiago de Cuba the 17th Labor Congress' agenda.

The very important announcement was made at the CTC provincial committee, where Ross Leal invited sector leaders to defend the workers' rights more firmly. He reported that the 17th Congress' agenda, which consists of 24 pages, will be published by the newspaper TRABAJADORES starting Monday 13 November.

He underlined the importance of taking advantage of the available time to train the union leaders who will oversee the congress sessions where the agenda will be discussed throughout the country starting 15 January.

He also said that, for the 17th Labor Congress, which will be held in April 1996, the party's and CTC's sociopolitical studies team will carry out an opinion poll in 25,000 union sections to find out what the Cuban labor class thinks about the union movement's role. This opinion poll will decisively help enhance the Labor Congress debates.

Young Soldiers Meet With Politburo Members

PA1711040695 Havana Cuba Vision Network in Spanish 0100 GMT 8 Nov 95

[From the "NTV" newscast]

[FBIS Translated Text] Ciudad Libertad hosted today the second meeting of young soldiers of the 18 Order of the Revolutionary Armed Forces [FAR] Minister with senior officers, Education Ministry's officials, and political and grass roots organizations, which was presided by Politburo members Esteban Lazo, and Div. Gen. Ulises Rosales del Toro, first vice-minister of the FAR and chief of the Armed Forces general staff.

Young soldiers who excel in the performance of their duties in defending the fatherland have the chance to continue higher studies due to the system provided by 18 Order of the FAR Minister — one-of-a-kind experience worldwide.

Participants to the second meeting at the Western Army made an assessment of the work performed in its four phases. Progress in the implementation and knowledge of the system were reported, as well as improved results

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in education. There was an open debate and exchange of views on the FAR social services law, among other issues.

[Begin Rosales recording] We have planned to begin a new phase of work in which we can expect even better results. Once that we have improved the system to defend the fatherland in higher education centers it becomes essential to implement it right, and particularly, to have efficient control. [end recording]

It was also reported during the meeting that the (CMTT) reorganization process will end on 27 November in higher education centers nationwide.

Brazilian Delegation Visits Juragua Nuclear Plant

PA1711035895 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 14 Nov 95

[Report by Primitivo Gonzalez in Cienfuegos; from the "NTV" newscast]

[FBIS Translated Text] A Brazilian delegation today visited the Juragua nuclear power plant in Cienfuegos. Ronaldo Sardenberg, secretary for Strategic Affairs for the Brazilian presidency, accompanied by a group of Brazilian Foreign Ministry advisers, today visited the Juragua nuclear power plant in Cienfuegos Province.

The Brazilian delegation, which is here on an official invitation from the Cuban Government, visited several SEAN [Executive Secretariat for Nuclear Affairs] job sites.

One of the objectives of the visit is to identify topics and mechanisms to boost economic areas between the two countries.

[Begin Sardenberg recording] I must say that our relations are excellent and already very productive. There are lots of agreements, for example, between Brazilian and Cuban universities; there are agreements at the nuclear policy level, nuclear cooperation. We are going, therefore, to continue this effort. [end recording]

During the Brazilian delegation's stay in Cuba until Friday, it plans to cover a broad range of activities.

[Begin Sardenberg recording] I return to Havana this afternoon and will meet with several ministers, such as the science and technology, environment, trade, and foreign relations ministers. Therefore, I am going to cover a very broad range of subjects. [end recording]

Communicators' Union Holds Congress in Guantanamo

PA1011214895 Havana Cuba Vision Network in Spanish 0100 GMT 8 Nov 95

[Report by Rosa Maria Fernandez from Guantanamo; from the "NTV" newscast]

[FBIS Translated Text] The Fifth Territorial Congress of the Communicators' Union was held in Guantanamo today with the goal of ending deficiencies as soon as possible and encouraging realities. The Union's national congress is scheduled for 30 November.

La Cana installations, to be built more than 1,160 feet above sea level in the solid Baracoa [word indistinct], will considerably alleviate the problem of the silence of the radio and television in large mountainous areas of Guantanamo Province. This was announced at the Fifth Territorial Congress attended by Rider Diez Leiva, first secretary of the party in Guantanamo Province; Communications Minister Brigade General Silvano Colas; and Ernesto Freire, secretary general of the Communicators' Union.

The Spanish-made equipment, waiting only for a small hydroelectric plant, will hook the television signal up to La Tinta in Maisi, and Masca, Jobabo, and Vega del Jojo in (Enmias) municipality. In addition, FM radio service will be offered to the CMKS provincial network.

Colas explained the communications sector's expectations to this newscast:

[Begin Colas recording] An important aspect has been the creation of an economic association, the Telecommunications Enterprise, Inc., ETECSA [Empresa de Telecomunicaciones, S.A.]. The general plan for this enterprise for the remainder of 1995 and for 1996 involves a new change in the country's telephone service. [end recording]

Haiti

Radio Provides List of Presidential Candidates

PA1611223195 Port-au-Prince Signal FM Radio in French 1130 GMT 16 Nov 95

[From the "Waking Up" newscast]

[FBIS Translated Text] We will return in a moment to the chapter of incidents which have occurred in the country since the call sent by President Jean-Bertrand Aristide [allusion to the speech given by President Aristide on 11 November at the funeral of Jean-Hubert Feuille]. In the meantime, we are going to talk about elections.

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Everything has been decided since last night. The potential candidates followed — not to say jostled — one another last night at the office of the Provisional Electoral Council [CEP] in order to register their candidacies before midnight. Over 14 candidates including Rene Preval, Firmin Jean-Louis, Leon Jeune, Rene Julien, Julio Larosiliere, and Victor Benoit registered for the upcoming presidential elections. It was about 2200 when the last registered candidate stepped across the esplanades of the office of the CEP. Former National Assembly President Firmin Jean-Louis expressed his satisfaction for being able to represent in the upcoming elections the various grassroots organizations — he says — that chose him to succeed President Aristide. We will have to listen to this statement by Firmin Jean-Louis before the end of this newscast.

Let us point out that the president of the electoral institution, Pierre Michel Sajous, has to meet with the press this morning in order to officially confirm the registered candidates. Here is the list of candidates registered this week: Rene Preval, former prime minister of the Aristide government in 1991, current director of the Fund for Economic and Social Assistance, FAES; Firmin Jean-Louis, senator, former president of the National Assembly; Julio Larosiliere, current senator, former quaestor of the Senate; Gerard Dalvius, leader of the Alternative for the Development of Haiti Party; Victor Benoit, leader of the National Congress of Democratic Movements, Vladimir Jeanty, leader of the Haitian Party of God; Leon Jeune, [President Aristide's cousin] former state secretary of justice and former director of the National Police; Rene Julien, president of the Association of Jurists; Eddy Volel, leader of the Haitian Democratic Assembly; Jacques Clarck Parent, [current senator] leader of the Haitian Democratic Party; Dieuveuil Joseph; Rockfeller Guerre, [current mining state secretary] leader of the Union of Patriotic Democrats; Arnold Dumas of the National Party for the Defense of the Workers; and Francis Jean of the Militant Revolutionary Forces.

Presidential Order Convenes People To Elect President

PA1611220795 Port-au-Prince Signal FM Radio in French 1130 GMT 16 Nov 95

[From the "Waking Up" newscast]

[FBIS Translated Text] By presidential order, the Haitian people are convened to the go to the polls on 17 December from 0600 to 1800 in order to proceed to elect the next president of the Republic and three deputies in the following communes: Jacmel, Anse-a-Galets, and the second district of Saint-Raphael. The presidential order is signed by Jean-Bertrand Aristide.

Senate Seeks Extension of Registration Period for Elections

PA1711003795 Port-au-Prince Signal FM Radio in French 1130 GMT 16 Nov 95

[From the "Waking Up" newscast]

[FBIS Translated Text] In a letter to CEP President Sajous, the senators have asked him to extend the period of registration for candidates in the upcoming presidential elections, asserting that several candidates want that; 16 Haitian senators, who met in assembly yesterday, have asked the CEP to accept their request.

According to them, that will allow the discharge commission of the upper chamber to give a ruling on the files of the candidates who have asked for quietus. Nevertheless, the Haitian deputies have not yet given their opinions on the question.

By the way, the Haitian Senate is studying the possibilities of replacing Mrs. Marie-Laurence Jocelyn Lassegue within the CEP. According to a source close to the Parliament, the Haitian senators have to look today into the choice of their representative within the CEP after the resignation of Mrs. Lassegue.

Werleigh Seeks Disarmament With Moderation, Discipline

PA1711042595 Port-au-Prince Signal FM Radio in French 1130 GMT 16 Nov 95

[From the "Waking Up" newscast]

[FBIS Translated Text] We will begin this newscast with the call for moderation sent out last night on Television Nationale d'Haiti [TNH] from Prime Minister Claudette Werleigh to the population. She asked the people's organizations to be careful in view of the infiltrations, provocations, and all kinds of traps.

Speaking on TNH last night, as I said, Mrs. Werleigh invited all sectors of national life to guide the people's thought about the following questions: Who is interested in preventing total disarmament? Let us listen to an excerpt from this message:

[Begin Werleigh recording, in Creole] The institutions working with the people, (?the public servants), the private sector, the representatives of the youth, the students, the socioprofessional associations, all teachers, pastors, fathers, mothers, doctors, nurses, voodoo followers, men and women, children and adults, all the people who side with the people and who play a role, we call on you, we call on all, I ask you to help the population think about these questions: First, who is interested today in hampering the country, in the nonfunctioning of the schools, in unemployment, and so

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on? Who is interested in the fact that total and complete disarmament is not really being done? Who does not want a proper agreement between the police forces and the population? Who does not want our police and the foreign forces to move hand in hand and who does not want a real transfer of power from the international forces to our police forces before the UN Mission in Haiti leaves the country? [end recording]

This was an excerpt from the speech, the message to the nation given yesterday on TNH by Haitian Prime Minister Claudette Werleigh.

I am reminding you that this week Mrs. Werleigh held a news conference during which she expressed her solidarity with the Haitian people, while calling on them to carry on with the disarmament process but with discipline. Mrs. Werleigh also went to Cap-Haitien in the north of the country, where violent incidents were recorded this week.

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Local TV Reports U.S. Congress Limiting Contingency Fund

PA1611142795 Mexico City XEW Television Network in Spanish 0400 GMT 16 Nov 95

[From the "24 Hours" newscast]

[FBIS Translated Text] The U.S. Congress has placed a lid on the use of a contingency fund with which President Bill Clinton is supporting Mexico.

The U.S. Congress approved a law to limit the President's power to use the exchange stabilization fund to which he availed himself to provide Mexico with a financial aid package for $20 billion for the stabilization of the Mexican economy.

The House of Representatives and the Senate approved limitations for the use of the fund, $1 billion every six months. The President may only exceed the limit when he can prove there is a threat against the vital interests of the United States or if the international financial situation is threatened. The U.S. Congress may also question or annul the evaluation made by the President on what he may consider a threat to the country's security.

The law was submitted by Senator Alphonse D'Amato, one of the greatest opponents of the aid for Mexico. The aid, however, will not be adversely affected by the new law because it is not retroactive and the package for Mexico was already granted, although at the beginning of the year. D'Amato was able to get the U.S. Congress, by means of a law, to demand from the U.S. Treasury Department a monthly report on the status of the Mexican financial situation and the status of the debt payments made by Mexico to the U.S. Government.

President Presents Budget Proposal to Congress

PA1611215695 Mexico City LA JORNADA in Spanish 15 Nov 95 pp 51, 52

[Report by Roberto Gonzalez, Juan Antonio Zuniga, Elena Gallegos, and Ismael Romero]

[FBIS Translated Text] The federal executive branch has proposed to the Congress of the Union net expenditures totaling 553.718 billion new pesos for 1996. This amount represents a drop of 0.42 percent in real terms compared to the forecast closing figures for 1995. It is comparable to the 1992 budget, although since then the population has grown by six million inhabitants.

The Federal Expenses Bill for 1996, which the President delivered to the Chamber of Deputies yesterday, estimates that next year's net expenditures of the public sector will represent 25.1 percent of the GDP, 0.9-percent less than the level forecasted for 1995.

According to the document sent by President Ernesto Zedillo to the legislators, the drop in the level of expenses is due mainly to the decrease in the programmed expenses and the financial cost of the debt, which as part of the GDP, will decrease in 1995 and 1996 by 0.7 and 0.4 percentages respectively.

The programmed budget expenditures — including resources for the executive, legislative, and judicial branches, as well as for the electoral offices, agrarian and fiscal federal courts — will be 386.2315 billion new pesos for 1996. This amount represent a real drop of 0.7 percent in comparison to 1995 and will be 17.5 percent of the GDP.

Likewise, the 1996 budget previous 88.251 billion new pesos to cover the financial cost of the Federal Government's debt and the debt of institutions and enterprises under direct budgetary control.

The amount included in the document for this purpose equals 4 percent of the estimated GDP for 1996. According to the document, compared to 1995, the public debt's financial cost will decrease by 7 percent in real terms.

Out of this overall financial cost, 71.130 billion pesos correspond to the Federal Government's payment of interests and commissions on the domestic and foreign debt. This amount is 6.1 percent less in real terms compared to 1995 and will represent 4 percent of the estimated GDP.

In regard to state institutions and enterprises under direct budgetary control, the document establishes that the financial cost of its liabilities next year will rise to 17.121 billion pesos, which represents a real decline of 10.4 percent.

The Expense Budget Bill for 1996 contemplates an additional financial cost of 1.252 billion pesos for different programs to support the financial reorganization that took place in 1995 to strengthen the banking sector. This includes the cost of restructuring made through the Investment Units and the Program to Support Bank Debtors through development banks, as well as the substitution of portfolios and capitalization of Banjercito [Armed Forces Bank] and the National Bank of Domestic Trade.

Defense Budget Increase

The bill presented to Congress indicates that in 1996 approximately 53 percent of the overall sectorial expenditures will be allocated for social development. This will result in an increase of 2.5 percent in real terms in the overall expenditures of all social programs, which will

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be increased in proportion with programmed expenditures.

The social development sector — which comprises the budget for education, health and social and labor security, regional and urban development, social planning, and nutrition — will be assigned according to the bill, a programmed expenditure of 202.7096 billion pesos, which will mean a real increase of 2.5 percent in relation to 1995.

The largest real increase will be assigned to labor with 24.8 percent, followed by education, 2.9 percent; regional and urban development 2.5 percent; social planning and nutrition, 2.2 percent, health and social security, 1.5 percent.

Regarding the centralized public administration budget, programmed expenditures of 232.9753 billion pesos are expected, a real drop of 1.7 percent in comparison to 1995.

The National Defense Secretariat's budget shows a real increase of 10.4 percent in direct expenses. In 1996, it will have a budget of 11.1227 billion pesos. Meanwhile, the Navy Secretariat will receive 3.8499 billion pesos, 10.5 percent more in real terms than in 1995.

The Government Secretariat and the Office of the Attorney General of the Republic, which are also part of national defense and security, will present expenditures next year for 19.2356 billion pesos, 44.44 percent more, in nominal terms, than in 1995.

Expenditures for defense and security in 1996 will be higher than the amount allocated to the Education Secretariat, which will have a budget of 15.6578 billion pesos in 1996, only 2.6 percent more in real terms than this year. Furthermore, it will be 153.72 percent higher than the allocation to social security, which in 1996 will be 7.5814 billion pesos, a 9.1 percent real decrease when compared with 1995.

The bill establishes that the Presidency will have direct expenditures of 578.6 million pesos in 1996, 3.5 percent in real terms higher than in 1995; foreign relations will increase its expenditure by 38 percent, meaning 1.7586 billion pesos. Agriculture, livestock and rural development will present the highest percentage increase, 83.4 percent, placing its expenditure at 3.484.6 billion pesos.

Government Institutions	1995 (approved)	1996 (planned)
Legislative Branch	1,028,700,000	1,490,400,000
Judicial Branch	1,385,915,000	2,343,608,000
Presidency of the Republic	380,000,000	533,284,200
Goverment Secretariat	1,862,500,000	2,329,260,000
Foreign Relations Secretariat	902,700,000	1,710,784,000
Finance and Public Credit Secretariat	8,087,440,700	11,343,431,600
National Defense Secretariat	6,794,700,000	9,983,535,800
Agriculture, Livestock, and Rural Development Secretariat	14,090,885,500	16,756,145,200
Communications and Transportation Secretariat	10,949,416,700	11,967,451,600
Commerce and Industrial Development Secretariat	879,976,100	1,194,573,900
Public Education Secretariat	31,519,385,900	40,611,653,000
Health Secretariat	6,536,000,000	9,700,230,000
Navy Secretariat	2,021,200,000	3,430,803,900
Labor and Social Welfare Secretariat	947,900,000	1,804,596,300
Agrarian Reform Secretariat	870,700,000	2,020,058,700
Environment, Natural Resources, and Fisheries Secretariat	4,439,018,500	6,725,284,200

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Government institutions	1995 (approved)	1996 (planned)
Office of the Attorney General of the Republic	1,303,899,500	1,727,633,200
Energy Secretariat	2,642,440,400	4,796,977,300
Social Development Secretariat	3,568,562,400	5,819,662,000
Tourism Secretariat	569,900,000	712,001,600
Office of the Comptroller General and M.A. [expansion unknown]	158,430,000	228,669,700
Electoral bodies	1,379,300,000	1,432,170,000
ISSSTE [Social Security and Services Institute for Government Workers]	10,345,800,000	14,049,969,300
IMSS [Mexican Social Security Institute]	39,713,801,800	50,660,400,000
FFNN Mexico [expansion unknown]	5,191,600,000	6,200,605,300
Conasupo [National Company for Basic Commodities]	8,900,374,700	7,482,497,800
CFE [Federal Electoral Commission]	23,194,449,200	36,190,591,800
Pemex [Mexican Petroleum]	28,769,800,000	45,233,792,700
Basic Education in States	28,888,900,000	40,783,190,000
Allocations to States and Municipalities	44,694,100,000	68,659,300,000
Regional Development (formerly Pronasol, National Solidarity Program)	10,676,300,000	11,000,000,000
Public Debt	24,279,603,300	69,703,160,000
Financial Reorganization	366,296,200	1,426,800,000
Interest and Commissions on Debt of Parastate Sector	5,617,515,300	17,121,287,000
Adetas [expansion unknown]	4,000,000,000	10,376,000,000
Salary and Economic Funds (Branch 23)	15,209,070,900	31,498,994,000
Discretionary Fund	500,000,000	650,000,000

Variation estimates are based on nominal figures of the budget approved for 1995 compared to the planned 1996 budget without considering inflation.

Program Analysis (In thousands of pesos; one decimal point)

Program Names and Goals

Salary Program

Protect the purchasing power of salaries of public servants; life insurance coverage; support for the training of public servants to improve their technical preparation and thus upgrade the quality of their services.

Annual goal: nonquantifiable. Total: 19,089,467

Direct contribution: 11,212,417

Aid, subsidies, and transfers: 7,877,050

[illegible]ncial Aid Program for Federated Bodies

[illegible]pate fiscal cost of state debt rescheduling with [illegible]ercial banks acquired through the Investment Unit [illegible]eme to allow the states to free resources to take care of social programs and infrastructure investments and to contribute to the strengthening of state finances.

Annual goal: Nonquantifiable. Total: 3,700,000

Aid, subsidies, and transfers: 3,700,000

Program to strenghten Pension System

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Guarantee the resources needed to strengthen the current pension system of the social security institutions at the service of the state.

Annual goal: Nonquantifiable. Direct contribution: 3,500,000

Aid, subsidies, and transfers: 3,500,000

Administrative Modernization Program

Ensure that the federal public sector implements an administrative reorganization to introduce homogeneous systems to increase productivity and the quality of services offered to the public.

Annual goal: Nonquantifiable. Total: 113,527

Direct contribution: 113,527

Fund for Natural Disasters

Anticipate attention to the negative effects caused by natural events in the communities and on the country's structure.

Annual goal: Nonquantifiable. Total: 1,500,000

Aid, subsidies, and transfers: 1,500,000

Program to Support Rural Development

Honor juridical payment obligations stemming from lawsuits and trials.

Annual goal: Nonquantifiable. Total: 1,328,200

Aid, subsidies, and transfers: 1,328,200

Program to Support Supply of Basic Staples

Compensate for the effects of variations in the international price of corn and powdered milk on domestic market prices.

Annual goal: Nonquantifiable. Total: 1,617,800

Aid, subsidies, and transfers: 1,617,800

Program for Unexpected Expenses

Resources provided by virtue of power granted to federal chief executive by point IV of Article 74 of the Constitution.

Annual goal: Nonquantifiable. Total: 650,000

Direct contribution: 650,000

Grand totals: Annual goal: Nonquantifiable.

Total: 31,498,994 Direct contribution: 11,975,944

Aid, subsidies, and transfers: 19,523,050.

Finance Secretary: Financial Turbulence 'Temporary'

PA1611141495 Mexico City XEW Television Network in Spanish 0400 GMT 16 Nov 95

["Excerpt" of interview with Finance Secretary Guillermo Ortiz by Abraham Zabludovsky; place and date not given; from the "24 Hours" newscast — recorded]

[FBIS Translated Text] [Zabludovsky] Mr. Secretary, the goals of the alliance of 3 percent growth and 20 percent inflation were announced before we had the problem that the peso was devaluated approximately 15 percent and the rates of interest doubled. Did this turbulence have any impact on estimates of the economic program?

[Ortiz] We are thinking that this turbulence is temporary. I would like to recall that when we announced the program in the month of March — we did so on 9 March — it took several weeks for the rate of exchange and financial markets to become stabilized. I think we are viewing a similar phenomenon. Obviously the rate of exchange is very high and the rates of interest bear no relation to, let us say, the inflation expectations. That is why, we must wait. We hope this will be a turbulence of several weeks and hope to see a much more normal situation thereafter. As long as this is a temporary phenomenon, there is no reason why it should affect the goals for 1996. Certainly, this is affecting us, and I cannot deny this. It is hurting us, because the higher rates of exchange are becoming an additional burden to the companies, to families. This, of course, is cause for concern among Mexicans. The rate of exchange, when it fluctuates too much, causes a situation of anxiety for many persons. I believe, or rather I am convinced that this is a temporary phenomenon, because it does not truly correspond to the objective conditions of Mexico's economy. We have progressed a lot this year. We have a balanced budget. We improved our current accounts. We have an economic program for 1996, which is supported by all the sectors. Therefore, viewing this market phenomenon, we cannot say that the program for 1996 must be up for questioning.

Finance Secretariat Reports Reveal Public Sector Debt

PA1611142895 Mexico City XEW Television Network in Spanish 0400 GMT 16 Nov 95

[From the "24 Hours" newscast]

[FBIS Translated Text] The Finance Secretariat sent to the Chamber of Deputies on 15 November reports on the economic situation, public finances, and the public

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debt for the third trimester of 1995. These documents revealed that Mexico's net foreign public debt at the end of September was $86.117 billion, $2.2 billion higher than in June. They added that the domestic public debt dropped by 14 billion new pesos but did not reveal the total domestic debt of the Mexican public sector.

Government Issues Guidelines for Investment in Railroad

PA1611133495 Mexico city NOTIMEX in Spanish 2005 GMT 13 Nov 95

[FBIS Translated Text] Mexico City, 13 Nov (NOTIMEX) — The Communications and Transport Secretariat today issued the guidelines for investment by the private sector in the railroad system, including as much as a 49 percent stake by foreign investors.

The agreement published on Monday's DIARIO OFICIAL DE LA FEDERACION stated that the openin[illegible] seeks to promote the development of the country's railroad network and improve efficiency to establish a multimodal system of transportation.

According to the official gazette, the intention of the measure is to create a secure, competitive, modern, and efficient railroad system that will contribute to commerce and promote foreign trade and a better transportation service for Mexicans.

In addition, the measure seeks to help the country fulfill its mission of leadership and authority to guarantee that the railroad service is provided in a way that benefits society.

The new reforms plan to encourage private and social investment in the sector in order to step up its modernization process, as well as to generate productive and permanent jobs, and to guarantee the rights of active, retired, and pensioned workers.

The public bids are being conducted according to the laws governing the transfer of government certificates of property that represent the capital stock of the enterprises.

Concessions of services that are not considered part of the enterprises, such as the operation and running of short routes, the construction and operation of new ones, and a mass transportation service will also be granted according to the above provisions.

The federal government will be able to transfer all or part of the certificates. Those not transferred according to these guidelines may be traded on the stock market or negotiated in banks.

The process will consist of three steps that may be carried out in a simultaneous or consecutive way: The registration of interested bidders. [sentence as received]

In order to guarantee honesty in the transfer process, the enterprises will be assessed by renown experts duly certified by the National Asset Appraisal Commission [Comision de Avaluos de Bienes Nacionales].

The interested bidders must obtain authorization from the Communications and Transport Secretariat to participate in the bidding, to post the corresponding guarantee deposit, and to keep privileged information confidential.

Seven Banks Lack Capital Despite Support

PA1611184895 Mexico City LA JORNADA in Spanish 13 Nov 95 pp 58, 67

[Report by Juan Antonio Zuniga]

[FBIS Translated Text] Even though the Bank of Mexico [Banxico] allocated 27.583 billion new pesos to the Savings Protection Banking Fund (Fobaproa) between January and October 1995, at least seven banks lack enough capital to keep their operations going, another five banks ended the third quarters reporting losses, and the net profits of the remaining banks have practically collapsed.

The amount of the government support to the banks cannot be compared to the amount of support to any other sector linked to the country's production activities. However, this amount has been insufficient to face a mediation crisis, which is reflected in a drop of more than 15 percent in national financial savings, according to official reports and to the third quarter reports banks have made public.

Financial authorities have intervened certain banks, such as Union, Cremi, Banpais, and Banorie, to prevent the setbacks that could jeopardize their customers' savings.

Other banks, such as Inverlat, Bancen, and Workers Bank, present such a precarious situation that, without the government having to intervene, authorities are closely overseeing their operation with a view to capitalize them through new domestic and foreign investments, which could end up in a change of ownership.

These seven banks, the financial statements of which remain almost a secret, lack enough capital to support their operations. This is why they had to resort to government support through the Fobaproa and this is why they have negotiated with other investors, with the participation of the government, how to make up for their finances.

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Two factors indicate the banking withdrawal [desintermediacion] crisis and the actual collapse in these institutions' profits: Regarding collection, less money of less value; and regarding financing, expensive credits with slow return.

The National Bank of Mexico, which is the country's largest private bank, had reported 1.452 billion new pesos in net profits until the third quarter of the year. However, these profits represented a 32.8 percent decrease as compared to the real-term profits it reported between January and September 1994.

The profits of the Bank of Commerce decreased by 60 percent; Serfin's profits, by 66.3 percent; Bital's, by 78.4 percent; and Banorte's, by 49.5 percent. In addition, Banoro's profits almost disappeared: They decreased by 99.5 percent in real terms; and Promex's profits literally vanished by the end of the third quarter, as it reported no profits, while it had reported 134 million pesos in net profits a year ago.

The following institutions that are on their way to being absorbed by other banks, changing owners, or being sold to foreign investors ended the quarter with net losses: Mercantil-Probursa lost 968 million new pesos as it accounting collection period ended, after the Bilbao-Vizacya Bank became its main owner; Atlantico reported red figures totalling 201 million new pesos; Mexicano lost 188 million new pesos; Bancrecer, 123 million new pesos; and Confia, 92 million new pesos.

Only one bank substantially increased its profits in the midst of the worst financial mediation crisis in at least half a century: Inbursa.

Two years after it was founded by the namesake financial group, Inbursa reported net profits amounting to 894 million new pesos, the second largest amount of profits in the banking system, which represented a 475.9 percent increase as compared to the profits it reported in September 1994, even though the balance of resources collected from the public fell by 74.3 percent in real terms during the same period.

Old and New Banks

Two years of having been authorized to operate in the Mexican financial market, 22 other national and foreign institutions began operations in high-profit, low-risk areas of practically no competitiveness with old banks.

However, together they obtained, between January and September of this year, a total of 1.309 billion new pesos. These profits represented 57 percent of the total amount of the net benefits reported by all the institutions operating in the system, which were 2.422 billion new pesos. A total of 43 percent of the net profits were made by the old banks.

In general terms, the performance of the new national and foreign banks operating in the national financial market has been acceptable in terms of profitability, but deficient in terms of competitiveness aimed at achieving greater efficiency for the system as a whole and for intermediaries in particular.

Of the 22 new banks, the Interestatal Bank has already been intervened by the financial authorities because of presumed mismanagement and two others, Capital and Sureste Banks, are facing problems, for which government assistance seems imminent.

Together, these 22 banking institutions have begun carrying out activities outside their traditional practices and have begun conducting transactions with securities and corporate banking activities.

Their penetration in the Mexican financial market is small given that they participate with approximately 3.6 percent of the income and 3.4 percent of the total financial costs, but obtain 5 percent of the system's financial utilities, for which "together they are more efficient than the old banks," according to an analysis disclosed by the specialized publication, TENDENCIAS.

Profits reported by September of this year are the following: J.P. Morgan obtained 193 million new pesos; Banco de Santander, 111 million new pesos; Bajio Bank, 34 million new pesos; Mifel and the Chase Manhattan Bank, 33 million new pesos; Invex, 25 million new pesos; Chemical Bank, 24 million new pesos; Promorte, 23 million new pesos; Quadrum, 11 million new pesos; Fuji Bank and Interacciones, 9 million new pesos each; and the Bank of Tokyo, 1 million new pesos in net profits between January and September of this year.

The Industrial Bank, which has been authorized to operate in Guadalajara since June 1993, closed the third quarter of this year with a loss of 10 million new pesos.

PRD's Cardenas Views Sale of Petrochemical Industry

PA1211182995 Mexico City LA JORNADA in Spanish 8 Nov 95 pp 1, 12

[Article by Cuauhtemoc Cardenas, member of the National Executive Committee of Mexico's Party of the Democratic Revolution: "The Petrochemical Industry and the Nation"]

[FBIS Translated Text] The renewed alliance among the government, the union and peasant leaderships, and the businessmen who control the financial circles was

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signed on 29 October, and the agreement to sell 10 petrochemical complexes belonging to the nation was reached the following day.

These two moves were taken in compliance with the commitments the last Mexican Governments made with the U.S. Government. These commitments were reinforced through the agreement the two governments signed in February. This agreement makes the oil revenues prisoner of the U.S. Treasury Department, which, in addition, has the authority to make decisions on internal policy matters.

The sale of the petrochemical industry has been among the objectives of the neo-liberal economic policies since the beginning, as well as the likely privatization of the entire oil industry. The sale of the petrochemical industry constitutes the step prior to returning the oil industry to private hands, from which it was appropriated on 18 March 1938. This is how the government's reasons for modifying the classification of petrochemical products until reaching the extreme of deregulating them all are explained. Now, private investments from any nation are being allowed in the production of all petrochemicals, except NAFTA, which is a refined product, and gas, the exports of which have grown in the last few years. This gives a very fragile foundation to the petrochemical industry, which is based on the exploitation of this latter resource.

Creating the atmosphere to sell off cheap the petrochemical complexes has been one of the objectives of the chronic lack of financing to which Pemex [Mexican Petroleum] has been subjected for the past decade. It has been deliberately stripped of 90-95 percent of its profits, leaving less than 5 percent, on average, of the resources it generates to invest. Foreign credits must be based on this amount. This is also the objective of the "makeup reform," as experts have described it, on the Pemex administrative structure. This reform was promoted by the influence of foreign advisers, notably McKinley and Company, with which they have intended to disguise the operational, accounting, and administrative chaos that has been destroying the nation's oil patrimony as a premeditated and submissive action by authorities.

Since it was known that the government would proceed to get rid of the petrochemical industry, it has been hinted that its sale was going to become one of the most questionable and obscure privatizations. It was leaked that the book value of the complexes about to be privatized amounted to $12 billion, that Pemex had already depreciated them to $4 billion, and that it was going to sell them at approximately $3 billion.

On 18 March 1992, I affirmed that "because the petrochemical industry was going to be separated from the rest of the oil industry, it is being deprived of the advantages of vertical integration, thus hindering its development and canceling the nation's beneficial effects. The companies that are purchasing the petrochemical industry are the ones that are going to impose the supply and price conditions Pemex will have to accept in order to sell; thus, these companies will be the ones that will benefit from the comparative advantages of the national oil industry. As the interests of multinationals control the petrochemical industry, they will determine the guidelines and features of the industry's restructuring and growth in terms of its accumulative needs, which, according to their experience and that of others, will not match the country's needs to reach higher levels of domestic industrial integration, thus favoring employment and a widespread, sustainable, equitable, and sovereign economic dynamics."

Preserving the strategic economic sectors for the nation, as the petrochemical industry is, is a condition necessary to guarantee growth based on national reasons and priorities, independent from foreign ups and downs and pressure. These sectors determine and lead the overall economic growth; thus, their development is crucial due to the multiplying effect domestic income, savings, and employment have on the other production sectors.

The sale of petrochemical complexes, as well as the privatizations of satellite communications, gas transportation, and railroads, particularly the Tehuantepec Isthmus railroad, are part of a strategy that makes our country weaker and more vulnerable to foreigners by the day; therefore, these privatizations must be firmly rejected.

It is necessary to return to the classification of petrochemical products into basic, secondary, and nonclassified products, which the Salinas administration voided. Based on it and in terms of the nation's interests, the development of the oil industry must be planned, as well as the reestablishment of the sectors and products reserved to the state. In addition, the proportion and allocation of domestic and foreign private investments in the petrochemical sector, investments which are undoubtedly necessary to update technologies, to secure markets, and to share trade networks, must be regulated.

The petrochemical industry must be rescued from corruption and inefficiency to ensure that it will once more constitute a factor of independent economic development for the nation.

Technicians, professionals, and workers of the industry itself are leading the defense of the petrochemical patrimony. They have voiced their concerns in recent mobilizations, particularly in the isthmic region.

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It is encouraging that patriotic voices from the leaderships of the oil workers unions are starting to be listened to.

Rejecting the dismemberment of the petrochemical industry and its transfer to interests alien to those of the nation is the best defense our nation, independence, and sovereignty could have.

Legislature Approves Reforms to Military Law

PA1411145495 Mexico City Radio Red Network in Spanish 0000 GMT 10 Nov 95

[Report by Rafael Jerezano; from "The Night Monitor" newscast]

[FBIS Translated Excerpt] The Chamber of Deputies today approved, with 355 votes in favor and four abstentions, a document modifying the Law of Discipline of the National Army and Navy, which as of today will be called the Law of Discipline of the Mexican Army, Navy and Air Force.

We spoke with the president of the National Defense Committee, Luis Garfias Magana. He told us that following an analysis by spokesmen of the parties represented in Congress, a Joint Defense and Armed Forces Committee established in Article 17 that military people in active service are strictly prohibited from participating directly or indirectly in political matters. Excepted are those who have licenses authorizing them to do so because they are working as religious ministers, or because they belong to any ecclesiastic body. This does not mean that they are being deprived of rights established by the Constitution.

Gerardo Nava Bolanos said during the debates that the National Action Party, for the sake of the country's well-being, has accepted the initiative and offers the Armed Forces a vote of confidence, acknowledging the Armed Forces' desire to serve the best interests of Mexico, its institutions, and its people.

Salvador Michel Rivera, of the Institutional Revolutionary Party, has stated his support for this document, which expresses, he said, all the proposals made by the political parties to improve a law important for the country's institutional life.

(Donatibora Bo Padilla), as secretary of the National Defense Committee, and speaking in behalf of the five deputies, expressed their approval for the document's general and specific aspects, considering, he said, that it guarantees compliance with military discipline and with the Armed Forces' mission, that is, the safeguarding of national sovereignty and security, and because it states civilian supremacy over military institutions.

The parliamentary group of the Party of the Democratic Revolution reiterated its rejection of any attempt to involve the Army in any political destabilization action and voted in favor also of explicitly including in the Law of Discipline a prohibition on all kind of military meddling in political activities.

This is what Deputy Garfias Magana said about this:

[Begin Garfias recording] Fortunately we had consensus among all the parties in Parliament. This is important. The differences that arose were minor. We believe that the military in active service are out of all political activities, directly and indirectly. The fundamental idea was to separate the Army from all kind of political activity. It is important the people and the Army know this to have efficient control over these activities. [end recording] [passage omitted]

Canadian Ambassador on Tapping; Zedillo on Regionalism

PA1611155095 Mexico City XEW Television Network in Spanish 0400 GMT 16 Nov 95

[From the "24 Hours" newscast]

[FBIS Translated Text] President Ernesto Zedillo received the letters of credential of Kristen Kristiansen of Norway, Joseph Kozarka of Hungary, Carlos Gianelli of Uruguay, John Tenewiniuk of Malaysia, and Mark Perron of Canada at the National Palace.

The ceremony was held in the ambassadorial room of the National Palace. Mr. Mark Perron, Canadian ambassador, spoke later at a news conference about telephone tapping in his country.

[Begin Perron recording] The Canadian Government does not comment on national security affairs. The Mexican Government has presented a diplomatic note. We will respond to it. This will be discussed between the two governments. [end recording]

He said he had already spoken to President Zedillo about this.

Then the president went to the Alfonso Lopez Mateos room of the official Los Pinos residence where he headed the ceremony of naturalization of 127 foreigners, who obtained Mexican nationality. President Zedillo administered the oath and gave out 5 of the 127 letters of naturalization to Ofelia Puerta Gilmey, Spanish-born actress, Sergio Guillermo Garcia Palacio, Horacio Rodriguez Lopez of [word indistinct], Jack Calage Cavadi, and Julia Sara Ziu Chirinos. On addressing those who received Mexican nationality, President Zedillo voiced criticism of the lack of tolerance of regionalisms that is occurring worldwide.

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[Begin Zedillo recording] A rejection of what is foreign has emerged. In some places, this rejection, unfortunately, is wielded as an electoral banner. For its part, Mexico maintains unchanged the principles of liberty, respect, and tolerance, which have won it consideration throughout the world. [end recording]

The president asked the new Mexicans to struggle for Mexico's goals, which are sovereignty, justice, democracy, and progress, within a context of international peace and security. Adolfo Miguel Garcia, Mexican playwright, Videl H. Barria, and French musician Emid Arber Gisune Smith spoke in behalf of the new Mexicans. Later the Mexican national anthem was played by Antonio Maurio Rios, a Cuban businessman, and was sung by all.

On concluding the ceremony, President Zedillo shook the hands of the new citizens and bade them farewell. Government Secretary Emilio Chuayfett Chemor, immigration officials of that secretariat, and officials of the Foreign Relations Secretariat attended the event.

EZLN: Clash With Police in Chiapas To Cause Break in Talks

PA1511171695 Mexico City LA JORNADA in Spanish 14 Nov 95 p 14

[Report by Elio Henriquez and Rosa Rojas]

[FBIS Translated Text] San Andres Larrainzar, Chiapas, 13 Nov — The Zapatist National Liberation Front [EZLN] has said that the violent acts of the past hours in San Cristobal de las Casas, where the police clashed with a group of Indians, "are a clear provocation by those who do not want peace but want a break in the dialogue and a military solution.

In a communique read after 2300 by Commander Zebedeo, the EZLN demanded from the authorities "a broad and public explanation for these incidents" and asked the Harmony and Pacification Commission, as representative of the legislative branch, to conduct an investigation to determine responsibilities, to administer justice, and to promote a detente.

The armed group's five-point document stated that these violent acts "make us doubt the willingness to conduct a dialogue and think again that the government is two-faced, because while its representatives show willingness to participate in political negotiations, others resort to violent and irrational resources to settle conflicts that are more related to poverty, exploitation, and tightly controlled power [cerrazon del poder].

Nevertheless, on behalf of the rebel delegation that is negotiating with the government, Commander David reaffirmed that it is still willing to dialogue to reach a just and dignified peace.

The commander pointed out that he does not understand how the federal government can be involved in a dialogue and at the same time "allow violent incidents and bloodshed to take place" and he "vigorously" rejected these actions "that are a matter of concern for us."

In the second point of the document read by Zebedeo, the organization reported that the second phase of the table dealing with rights and culture started at noon on this day after a more than three hour delay, because the parties first had to define whether the guests would participate in the first part of this phase and also the number of guests and advisers, among others.

After condemning the violent acts of the past hours, the EZLN insisted: "This is what we saw today: Evictions, imprisonments, injured and dead."

Finally, the rebel group voiced its confidence that the government will send a message with actions as soon as possible to ensure that the second phase of this table that started on this day will "yield results and prevent risks that could seriously affect the dialogue."

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El Salvador

President Denies Crisis Exists; Leaves for France

PA1611181395 San Salvador TCS Television Network in Spanish 1930 GMT 13 Nov 95

[Report by Romeo Lemos; from "The Newscast"]

[FBIS Translated Text] President Armando Calderon Sol left the country today amid strong criticism from the opposition. He said the current situation has been magnified by certain sectors.

President Calderon Sol traveled to France today to participate in the activities commemorating the 50th anniversary of UNESCO. During his visit, he will meet with French President Jacques Chirac. Before departing, Calderon Sol referred to Decree 471 on compulsory retirement:

[Begin recording] [Unidentified reporter] Mr. President, I will use a word that various sectors have been using when referring to your trip. It has been said that it is very irresponsible for the president to leave the country at a time when according to them there is a small crisis due to the implementation of Decree 471. Some sectors are talking about urging private enterprise to join a national strike due to what has been described as fiscal harassment against private enterprise.

[Calderon Sol] That is totally false. I believe the opposition is magnifying a situation that does not exist. As regards the labor situation, most sectors and public employees understand the decree. Many of them have voluntarily accepted the retirement plan and want to receive the indemnification. The decree is very generous, gives them a good indemnification — which I believe many government employees deserve. Therefore, we see no reason to be alarmed, as there is no response to those calls. [end recording]

Many people think the president has acted irresponsibly by leaving the country at a time when a decree of this nature is being applied. The president, however, said that there are also other important commitments that must be met.

[Begin Calderon Sol recording] Our foreign relations and previous commitments require the presence of the head of state in Paris. It would also be negative for our international image to say that the head of state cannot travel due to a crisis that does not exist. [end recording]

Calderon Sol will discuss with President Chirac the aid France has given our country. Another subject will be the French nuclear tests, which are not viewed favorably in our country.

Communique Alleges AFL-CIO 'Interference' in Internal Affairs

PA1611154795 San Salvador EL DIARIO DE HOY in Spanish 15 Nov 95 p 18

[Communique issued by Salvadoran Association of Industrialists, Salvadoran Chamber of Commerce and Industry, Salvadoran Association of the Manufacturing Industry, and National Union of Textile Industries in San Salvador on 15 November]

[FBIS] Translated Text] El Salvador's productive sector expresses its deepest concern with respect to the destabilizing actions aimed at promoting an increase in unemployment in our country as well as other countries of the region, under the well-known argument of alleged labor rights violations. This destabilizing policy is being promoted by groups affiliated to the AFL-CIO that seek the folding of firms in our country in an attempt to protect jobs in the United States. The clear objective of this movement is to prevent El Salvador from taking advantage of the benefits offered by the SGP [Generalized Preference System] as well as the CBI [Caribbean Basin Initiative], and mainly to cause the shutdown of the assembly plant industry in our country. These same groups have organized costly campaigns in order to undermine attempts to ensure NAFTA parity for the CBI region.

We are concerned about interference in the internal affairs of El Salvador by the above mentioned groups who, under the misleading slogan of "labor solidarity" continue to manipulate certain union groups in our country and destabilize the labor-employer environment at this crucial moment of economic reactivation in El Salvador.

We are surprised and alarmed that the current U.S. administration has been supporting these groups through official channels by sponsoring inquiry commissions such as the ones that will be visiting Honduras, El Salvador, and Guatemala this week, and which comprise representatives of the U.S. Government as well as the above mentioned groups.

We believe these types of activities are in no way conducive to mutual understanding and genuine cooperation between the United States and El Salvador. We understand that in order to ensure its survival, El Salvador must make use of its human capital, which is known for its diligence and perseverance; promote employment by means of honest work; and improve productivity in a new global world.

In short, democracy as well as the economic and social development of the region, will not be strengthened by forcing firms to close down. Neither is this a path that

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will guarantee respect for labor rights; and neither will it preserve jobs in the United States of America.

[Dated] San Salvador, 15 November 1995

[Signed] Salvadoran Industrialists Association (ASI), Salvadoran Chamber of Commerce and Industries, Salvadoran Association of the Manufacturing Industry (ASIC), and National Union of Textile Industries (UNITEX)

Labor Leader Notes 'Meddling' by 'Gringos'

PA1611195795 San Salvador EL DIARIO DE HOY in Spanish 15 Nov 95 p 12

[Report by Ingrid Rodas]

[FBIS Translated Text] Representatives of U.S. and European labor unions a few days ago proposed to some of the country's top union leaders that they continue adopting new and harsher measures to destabilize the assembly plant industry.

In San Salvador, Hollander Niel Klinder, secretary of the International Clothing and Hide Union, and Jose Ramirez, secretary general for the Americas of that same organization, and several delegates from some of the major U.S. unions made the proposal — described as an unheard-of meddling in the country's labor affairs.

Fenastras [Salvadoran Workers National Union Federation], Secretary General Juan Jose Huezo said that yesterday to EL DIARIO DE HOY, adding that for the first time, Salvadoran unions opposed the plan, so as to prevent further unemployment.

"The proposal on the part of the 'gringos' was more radical, as they asked us to continue with this charade of saying that there are labor problems and that the human rights of workers are being violated in order to bring about the withdrawal of the country's commercial benefits as an alleged sanction," Huezo noted.

During that meeting the Salvadoran labor leaders were asked to raise their complaints of human rights violations in the assembly plants to deprive the country of the benefits granted by the Caribbean Basin Initiative and to take the country out of the Generalized Preference System (GSP).

"The gringos proposed that we maintain this charade, but we felt that the current situation requires other measures, because we are experiencing a high level of unemployment," Juan Jose Huezo said last night.

The labor leader affirmed that considering the unemployment situation in the country, causing destabilization "makes no sense."

Huezo made those remarks one day before a mission by the U.S. Government and labor sector begins a visit in the country.

This mission will arrive in El Salvador to learn of the human rights situation in the clothing manufacturing companies.

The group comprises Jon Rosenbaum, assistant U.S. trade representative for trade and development, Gary Maybarduk, assistant director of the International Labor Affairs Office, and Jorge Perez of the International Labor Affairs Office.

The delegation also comprises representatives from the AFL-CIO and the International Fund for Labor Rights, Education, and Research.

All of them will meet with Labor Ministry officials and the representatives of the country's major unions.

"We will receive this mission with an open mind. I hope they listen to us so we can tell them we have a Salvadoran proposal and that we will not make distorted statements," Huezo affirmed.

The arrival of the U.S. mission in the country prompted the protest by Arena [Nationalist Republican Alliance]. Some of them even asked immigration authorities not to let them in El Salvador.

We Have To Tell the Truth

Huezo said that the closure of companies like Parrot and the international discredit the Mandarin company suffered were "strategies based on lies" to reinforce the bad image of El Salvador.

"We call on the delegation not to be deceived in the United States with these lies by persons who claim to defend labor rights but have other interests, as in the cases of Amanda Villatoro and Felix Blanco," he stated.

He charged that the Democratic Workers Federation [Central de Trabajadores Democraticos] is working on that destabilization campaign.

"Those groups must reflect, so that they do not continue lying with the pretext of strengthening the labor movement, because that is a lie and I have documents to prove it," he noted.

Document Delivered to U.S. Ambassador

PA1711023495 San Salvador Radio Cadena Sonora in Spanish 1730 GMT 16 Nov 95

[Report by Claudia Cuzco from the "Sonora Newscast"]

[FBIS Translated Text] A delegation composed of Fenastras [Salvadoran Workers National Union Federation] and [words indistinct], in the name of the Higher

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Labor Council, and maquila [assembly plant] workers today rallied in front of the U.S. Embassy to deliver to U.S. Ambassador Alan Flanigan a document making three demands, including prompt intervention to stop the boycott against the Salvadoran maquila industry from abroad — according to Fenastras secretary general Juan Jose Bueso.

[Begin Hueso recording] A small delegation will be received at the U.S. Embassy so that we can deliver the document to the Ambassador. We hope the rest of the delegates will wait for us. The document we are delivering includes three points:

1. We are asking the Ambassador to intervene so there can be more jobs in El Salvador. Specifically, we want parity.

2. We oppose the boycott that foreign organizations are staging against employment in El Salvador.

3. We are concerned over the repatriation of Salvadorans.

Workers of the Higher Labor Council, organized into Fenastras and [words indistinct], will now go in. We expect the rest of the delegates to wait for us here on the curb while we deliver the document. The document is accompanied by certified photocopies of evidence that actions have been taken against production, workers, and labor unions at the (?Ryter) Textiles enterprise and the (?Dabo) manufacturing plant. [end recording]

Bueso said it is important to establish the law of parity and the general products preference system in our country, as it has been established in Mexico.

[Begin Bueso recording] The maquila has been very active. The fact that we are struggling for parity so the maquila can continue to operate does not mean there are no problems. We know there are many. But we must first have jobs, and then we can organize labor unions. This is what we mean. There are problems, but we cannot afford to cast a bad image abroad, thus risking having the maquila and all of our jobs disappear. We have heard that all of the Salvadorans living abroad have been threatened with repatriation. Without jobs and parity, and without our fellow Salvadorans abroad, this country is headed for a big crisis.

We will continue to be labor union members, but we must also think for our people, who need jobs. It is unfair for Mexico to have better job conditions while we, as labor union members, remain with our arms folded. The labor union movement should voice its position. Today we are voicing it. We want parity. We want the same working conditions that Mexico enjoys. If the maquila has problems, we will be right up there. There is also a possibility that we will be arrested [words indistinct]. [end recording]

A riot squad of the National Civilian Police was deployed in front of the U.S. Embassy to prevent any disturbances by union members and maquila workers. Leader Bueso disagreed with this because, he said, the workers' presence there was peaceful.

The labor union members will meet this afternoon with the U.S. delegation that arrived in our country to solve labor problems, in particular of the maquilas. The delegation members will also meet with the goverament and private labor sector to find a solution for the boycott which, they say, is being committed against the maquila and textile industry in the country.

FMLN Coordinator on Results of European Tour

PA1711003895 San Salvador Radio Cadena Sonora in Spanish 1730 GMT 13 Nov 95

[Report by Claudia Cusco; from the "Sonora" newscast]

[FBIS Translated Text] Leaders of the Farabundo Marti National Liberation Front, FMLN, have described as successful a tour of 18 European countries conducted by a commission from that political party. The members of the delegation were received by Foreign Ministry officials in those countries. The main issue discussed was compliance with the peace agreements in our country.

After reviewing the peace agreements, EU and FMLN representatives concluded that the process of implementing the agreements has been frail, because the Salvadoran Government has not totally complied with aspects concerning the transfer of land, security, and electoral reforms. Let us listen to FMLN Coordinator Lionel Gonzalez:

[Begin Gonzalez recording] Our objective was to tell the EU, the European countries, that the Salvadoran peace process is very frail. That frailty is the result of noncompliance with the agreements, or the agreements that are still pending. Another reason is the economic measures the government is promoting — basically privatization and, recently, the policy of modernization that has meant the dismissal of thousands of workers.

The reactions we received were positive. On 18 October, the EU agreed to exert political pressure on the [Salvadoran] Government. EU ambassadors will personally discuss the matter with President Calderon Sol and will stress the need to totally comply with all the agreements, particularly the transfer of land, reinsertion programs, programs related to human settlements, and judicial reforms. There is also special concern about two subjects:

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the electoral reforms, and correcting all the mistakes committed in the National Civilian Police concerning public security. [end recording]

Leonel Gonzalez said EU and FMLN representatives had agreed that the government cannot say it has complied with all its commitments [no puede haber cierre de caja], meaning that the government cannot dodge the commitments included in the peace accords.

[Begin Gonzalez recording] In this respect, we agree with the international community — specifically the EU — that the government cannot say it has complied with all its commitments. Such a stand would trigger turmoil in the country. We, the FMLN, are simply not willing to accept that — not if all the agreements have not been totally met. Furthermore, only the United Nations can say the agreements have been totally complied with. The signees, any one of them, cannot unilaterally assert this. Thus, despite the government's big publicity campaign — paid with international cooperation funds — it cannot unilaterally walk away from its commitments. [end recording]

Another issue broached by EU and FMLN members was international cooperation. They concluded that the national reconstruction program must be implemented effectively and that the government is not using foreign aid appropriately.

[Begin Gonzalez recording] Another issue discussed with the European countries was cooperation. We pointed out that bilateral cooperation, which is given from government to government, has not had any impact on the former areas in conflict. The cooperation is to be used to reconstruct destroyed areas but the national reconstruction programs have not been effective. We suggested, first, that the international community exert greater control on the use given to those funds. We reported that cooperation funds are being used in a politicized manner. The funds are utilized to favor government programs, to boost areas where the government has political influence — and not those that need to be reconstructed. [end recording]

The EU delegates said they agreed that Onusal [UN Observer Mission in El Salvador] had to continue in the country, to verify the compliance of the peace agreements. Thus, the EU will continue to back the United Nations here until the peace accords have totally been complied with. EU members also said they will continue to finance UN Development Program, UNDP, projects that help former FMLN and government combatants integrate to national development.

Guatemala

Government Creates Crisis, Strategic Affairs Entities

PA1411182695 Guatemala City PRENSA LIBRE in Spanish 11 Nov 95 p 4

[FBIS Translated Text] The decision to create a Crisis Committee [Comite de Crisis] and a Strategic Affairs Secretariat [Secretariado de Asuntos Estrategicos] took firm shape yesterday when Government Resolution Number 543-95 was published in the DIARIO DE CENTRO AMERICA.

The aforementioned committee was created, according to the resolution, as a senior level advisory corps and is tasked with dictating policies and drafting strategies to provide adequate solutions to national problems.

The committee is made up by the president, the vice president, the ministers of foreign relations, national defense, and government, the secretary of strategic affairs of the presidency, the attorney general, and other officials who may be appointed by the president as members or occasional advisers based on the national problems to be handled.

In addition, the duties of the already mentioned secretariat are as follows: analyzing strategic affairs that may affect the well-being of Guatemalans, advising the president on strategic matters, submitting reports to the chief executive on matters within its scope and all those that the president may assign to it when needed.

According to the resolution, this entity will have its own regulations, through which it will carry out its duties and functions, as well as everything related with the labor system of its personnel.

The publication stated that the finance minister will at the appropriate time make the necessary budget provisions for the adequate functioning of said secretariat and must authorize "the withdrawal of resources in 12 parts."

To justify the creation of these entities, the resolution stated that "the state must guarantee the life, liberty, justice, security, peace, and overall development of the country's residents."

It added that at that the appropriate time the independent UN experts on human rights in Guatemala matters concurred in recommending the creation of a cabinet of civilian advisers to the president.

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Investigation Into Power Outage on Election Day Ordered

PA1511151995 Guatemala City PRENSA LIBRE in Spanish 14 Nov 95 p 6

[FBIS Translated Text] Prosecutor General Ramses Cuestas Gomez said yesterday that he tasked the Office of the Prosecutor for Administrative Offenses with investigating the power outage registered early Monday, following the general elections.

Very little progress has been made, because we must remember that today (yesterday) was a holiday for public officials and that it will be until tomorrow (today) when the investigation will be made, Cuestas Gomez stated in an interview at 1100 yesterday on the second floor of the Miguel Angel Asturias National Theater, headquarters of the Supreme Electoral Tribunal, TSE.

He said that he ordered administrative offense prosecutor to conduct *an in-depth investigation of the event*, which cast doubt on the result of the general elections.

I need to know the reason for the power outage: if it was caused by neglect or by an energy shortage, he added, after explaining that, until the moment of the interview, he did not have official information on the mishap.

The electric power outage, which reportedly affected the entire country, prompted several electoral prosecutors from political parties to consider the possibility of challenging electoral results for president and vice president in the interior of the country.

According to Patricia de Chea, electoral prosecutor of the Democratic Union, UD, who made statements at 1200 at the Miguel Angel Asturias Theater, at least 11 political parties are studying the possibility of challenging the results. They believe that the electric power outage was caused intentionally, and is intended to favor the National Vanguard Party, PAN, virtual winner of the first electoral round.

De Chea accused President Ramiro De Leon Carpio of having caused the outage, after learning about the rise other political parties maintained in the interior of the country. *The president wanted the PAN to win in the first round and that is why he caused the problem*, De Chea explained.

Among the political parties that analyze the possibility of challenging departmental presidential elections are, according to De Chea, the Guatemalan Republican Front, the triple alliance [triple alianza], the New Guatemala Democratic Front and the UD.

TSE Says Energy Outage Does Not Imply Election Sabotage

TSE President Mario Guerra Roldan yesterday said, in an interview at the Computation Center installations, at the National Theater, that the nationwide interruption in electric power does not imply an act of sabotage against the electoral process.

He indicated that although he did not have technical information on what had happened, the outage was apparently caused by a fault at the Chixoy Hydroelectric Plant.

He added that at the time the power outage took place, the UPS [power supplies] had accumulated energy already, so no data were ever lost. Guerra Roldan concluded that this fault in the power system does not constitute an element to anticipate or prejudge any anomaly in the process.

Energy Minister Explains Power Outage During Elections

PA1611133595 Guatemala City LA REPUBLICA in Spanish 15 Nov 95 p 8

[FBIS Translated Text] Energy and Mines Minister Julio Barrios Ortega reported yesterday, that a damage in the transmission line that takes power from the Chixoy plant to the North Guatemala substation and to the rest of the National Interconnected System [Sistema Nacional Interconectado] (SNI) caused the power outage.

The minister, who was accompanied by National Institute of Electrification (INDE) manager Otto Armando Giron Estrada, made this report at a news conference offered at the National Palace.

"According to the investigation, the damage to the transmission line, which takes power to the North Guatemala substation and the rest of the SNI, occurred at 0018 on Sunday. The damage occurred in a matter of 28 milliseconds and was caused by an electricity discharge to the ground, between the line and a tree, in the section located between structures 204 and 205, Salama, Baja Verapaz," Barrios Ortega asserted.

Giron Estrada reported that the damage caused oscillation in national electricity system. This unforeseen problem triggered the mechanism that protects the system's equipment, generators, transmitters, and transformers and automatically suspended the supply of electricity in all the territory served by the SNI," he said.

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Panama

Ministry Sends Note to U.S. Embassy on Extradition Case

PA1611201795 Panama City EL PANAMA AMERICA in Spanish 16 Nov 95 p 16E

[FBIS Translated Text] The Panamanian Foreign Ministry has sent note NVAJ-No. 921-95 to the U.S. Embassy, giving U.S. authorities two months to provide all the necessary paperwork for the extradition of Lebanese citizen Alberto Laila. The note, sent on 13 November, states that the U.S. Government must file a formal extradition request for the aforementioned Lebanese citizen within two months. The Directorate of Legal Affairs and Treaties' note states that the two-month period for presenting the extradition documents began on 27 October 1995, when Laila was arrested on orders from the Attorney General's Office. Alberto Laila (Bertie), along with Syrian-Israeli citizen Israel Mordok, was arrested on money laundering charges and held in a New York south district court.

Although Mordok was extradited to the United States last October on the U.S. Government's request, his lawyers have pointed out that the action was hasty in that all the legal evidence has not been presented. Moreover, Alberto Laila's defense attorney filed a habeas corpus to request the release of his client and filed public registry documents with the Foreign Ministry on his nationalization in 1988. However, sources said that Alberto Laila could be extradited in the next few days because the crime of which he is accused was committed before he became a Panamanian citizen. This story has captured public attention in the last few days and has required diplomatic intervention.

New Group Created, Plans To Picket U.S. Embassy 29 Nov

PA1611233795 Panama City EL SIGLO in Spanish 16 Nov 95 p 10

[Report by Aneldo Arosemena]

[FBIS Translated Text] A group of distinguished politicians and intellectuals have formed the so-called Panamanian Nationalist Forum [Foro Nacionalista Panameno], the objective of which is to defend the "nationalist ideas."

The initial group of the "Panamanian Nationalist Forum" is made up by attorney and university professor Humberto Ricord, attorney and university teacher Miguel Antonio Bernal, journalist and professor Alberto Quiros Guardia, economist and writer Roberto N. Mendez, and economist and professor Jose E. Torres.

On 29 November, this organization will stage a picket protesting a likely negotiation between Panama and the United States to perpetuate the U.S. military presence beyond the year 2000. The march will end in front of the U.S. Embassy.

The objective of the "Panamanian Nationalist Forum" is to fight for a wise and prudent administration of the reverted areas and goods located along the defunct Canal Zone to ensure that the economic surplus of that administration will be exclusively invested in the solution to domestic problems.

Likewise, the Forum plans to defend Panama's national interests and resolve the political, economic, and social crisis in which the Republic is immersed and favors an overall nationalist development for the country in accordance with a national program support by most Panamanians.

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Argentina

Economy Minister: State Reform Not To Cause Unemployment

PY1611145295 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2338 GMT 15 Nov 95

[FBIS Translated Text] Buenos Aires, 15 Nov (NA) — Economy Minister Domingo Cavallo stressed tonight that the second stage of the reform of the state "will not generate unemployment."

The minister said that the new reforms are based on "the expectation that the Argentine economy will improve for those who have to adopt decisions regarding investment in our country."

"The reform of the state and the fiscal balance must not be interpreted as a way to reduce employment, but everything to the contrary," Cavallo emphasized.

He reiterated that the government wants to create "a fund that will be administered by the Labor Ministry. This fund will be used to continue paying the salaries of public employees who, due to the elimination of organizations or due to restructuring, will no longer be public employees."

He stated that the employees will participate in labor training programs "so that they can reinsert themselves into the work force, and not be forced to remain without work."

"We are not expecting those people to join the ranks of the unemployed because we hope they will go over to the private sector," the minister added.

He stated that the government is seeking a balanced budget, a decrease in expenditures, and a lower degree of risk in Argentina in order to obtain "greater investment and more jobs in the private sector."

He added that the government will need $1.2 billion to achieve the transfer of the pension funds from the provinces to the federal government.

He indicated that half of this sum will be obtained by using YPF [Government Oil Deposits] and Regional Development Fund shares as collateral, and the other $600 million will be secured through external financing via the Inter-American Development Bank [IDB] and the World Bank.

He said that "if we are successful with the second phase, I believe that there will be no need for a third, but if we do not achieve our goal, then there will be a third phase."

"The reform is being implemented in order to attract more productive investment and realize a more rapid increase in the income of the Argentine family. Thus we are seeking a better use of the state's resources," the minister said.

The economy minister made these remarks during a news conference in which it was announced that an agreement had been reached with the IDB for loans amounting to $4.5 billion.

Alleged Sellers of Weapons to Ecuador Prosecuted

PY1711010795 Buenos Aires TELAM in Spanish 1900 GMT 16 Nov 95

[FBIS Translated Text] Buenos Aires, 16 Nov (TELAM) — Federal Judge Jorge Uso has ordered that Luis Sarlenga, former supervisor of Military Industries, be put on trial for the case in which the alleged sale of Argentine weapons to Ecuador is being investigated.

Court sources have confirmed that the judge's decision also includes Enrique Julio de la Torre, director of international security for nuclear and space affairs of the Foreign Ministry; Mauricio Muzi, director of business coordination of the Defense Ministry; and Nestor Edgardo Stacanelli, foreign trade director of the Economy Ministry.

Each of these people have had a 500,000 peso attachment on their assets.

Meanwhile, Defense Minister Oscar Camilion told Radio Mitre today that Muzi, de la Torre, and Stacanelli must continue in their posts because being "on trial does not mean that they have received sentences."

Court sources have also pointed out that the decision of Judge Urso, who is trying them for "violation of the duties of a public employee and for the forgery of public documents," does not affect the freedom of the accused.

In his decision to bring these persons to trial, the judge took into account evidence that includes the testimony of Brigadier General Juan Paulik, commander in chief of the Air Force, and of other Air Force officers.

The case began with a charge that was made by lawyer Ricardo Monner Sans, who made an accusation regarding a maneuver of "triangulation" between Argentina, Venezuela, and Ecuador for the sale of weapons to the latter when it was at war with Peru.

Senate Renews Challenge Against Ministry Over Patent Law

PY1611165095 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0104 GMT 16 Nov 95

[FBIS Translated Text] Buenos Aires, 15 Nov (NA) — The Senate tonight unexpectedly approved a bill

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abolishing all the laws that disagree with the laws approved by Congress on the Patent Law issue.

The bill notes that the two laws approved by Congress on the Patents Law issue "integrally and solely enforce and regulate all the provisions of the GATT and Paris Accord treaties."

With this bill, which now must be reviewed by the Chamber of Deputies, the senators neutralized a regulation issued by the Economy Ministry that did not clearly specify the abolishment of Law 111 of 1864 and could give rise to other interpretations regarding the enforcement of the Patent Law.

The congressmen pointed out that Decree 590/95, by which the executive branch regulated the Patent Law, gave rise to the possibility of foreign laboratories' automatically validating in Argentina the patents on pharmaceuticals registered abroad.

Bussi Installed Amid Human Rights Protests

96SM0014A Buenos Aires LA PRENSA in Spanish 30 Oct 95 p 2

[Article by special correspondent Laura Termine: "As in 1976, Bussi Promises To Rid Tucuman of Vagrants"]

[FBIS Translated Text] He was an interventor under the military dictatorship. This time he takes power with the backing of almost 50 percent of the voters. He will inherit a province marked by social turmoil and unpaid back wages in the civil service. Although he pledged to do the belt-tightening that the Casa Rosada is calling for, he did not obtain special funding from the Economy Ministry. Among his first decisions, he indicated that he would shrink government without layoffs.

Tucuman—General Antonio Domingo Bussi, retired, took over as governor of the Province of Tucuman for the second time yesterday. In contrast to 20 years ago, when he was named interventor by the military junta that took control of the country on 24 March 1976, this time Bussi has the backing of half the vote. Most residents of Tucuman remember two things about his term of office: order and public works. Back then, Bussi had a generous budget and complete control of the government. Today, he will inherit a province with unpaid back wages in the civil service, protests, a monthly deficit of 15 million pesos, and a cumulative deficit that, according to his own estimates, is nearing 700 million. One of his first decisions was a pledge to rid Tucuman of vagrants, thus repeating one of the famous policies during his previous term in the province.

Ramon Ortega's successor pledged to do the belt-tightening that the national government is calling for. But he did not succeed in having his arrival in power coincide with special funding from the Economy Ministry, despite his strenuous efforts in Buenos Aires. In retaliation, Bussi threatened not to pay October salaries, a move that will further rile government workers. The retired general's party, Republican Force, does not have a majority in the provincial legislature and will have to fight there for passage of certain laws to set change in motion.

Bussi began his day of glory at seven in the morning. After an inspection at the headquarters of his party and a coffee with newsmen at the Gran Hotel, where he is a regular, he left for the legislature along with his deputy governor, Raul Toppa. He greeted the cadets at the Police School, took his oath on the Bible, and gave an improvised seven-minute speech. Although some said that he was going to walk to the cathedral, two blocks away from the legislative building, Bussi chose to ride. None of his colleagues wanted "the general" to have to face the groups from human rights organizations that had called for a day of protest yesterday. As a result, a major security operation was mounted, and barriers were erected in a four-block radius around each building that Bussi entered in order to prevent people from approaching.

During the mass in his honor the former military officer was accompanied by his wife, Toppa and his mother, a half-dozen bodyguards, relatives, and supporters, who filled the cathedral. Father Jose Arbo's speech focused on the importance of humility and the sin of pride. Outside, a group that denounced the new governor with posters reading "Bussi is a murderer" was restrained by policemen carrying bullet-proof shields.

Following lunch with the family and after taking a nap, Bussi received the governor's baton from Ortega. Interior Minister Carlos Corach was the only national authority who attended the ceremony. Bussi was greeted with cheers, blessings, and applause during the 40-minute ceremony. Ortega took advantage of the turnout of more than 1,000 to raise his arms and throw kisses for the last time.

At a press conference the new governor promised to shrink government without layoffs. He asserted that surplus civil servants would be put to work in projects such as the refurbishing of the urban railway. He said that he would seek a consensus on each government project with interested sectors and would respect liberties. "Let each person express himself as he sees fit, as long as he does so in accordance with law and order," were Bussi's words. The festivities honoring the new authorities in Tucuman took the form of a closed-door cocktail party at the Club del Lago. On the street, two people were trying to sell white and blue bands with

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the inscription "Bussi governor" amid the sparse crowd, which was not even able to see the new governor's face.

[Box, p 2]

Seven AM

Today at exactly 0700 hours Antonio Bussi will perform his first act as governor. Officials and civil servants will gather in the cleared area on 25 de Mayo Street, opposite Independence Square, to witness the flag-raising ceremony. This symbolic act will be repeated every day during the new governor's term, just as it was during the year that he served under miliary rule as interventor of the province. Officials must attend every day, but civil servants will have a choice. In addition, the civil-service work schedule has been changed to save fuel; the hours will be from 0900 to 1700. The previous hours were 0700 to 1300. Civil servants will thus be working two hours longer now.

[Box, p 2]

Incidents at Protest

Tucuman—Some 600 people took part in the human rights gathering that was organized in Irigoyen Square yesterday morning to denounce General Bussi's inauguration as governor.

From Irigoyen Square, five blocks from the Government Palace, a column of Tucuman residents walked to Independence Square just as the new governor was about to hear mass in the cathedral. But the place was surrounded by barriers. The police had set up tight security and were stopping people within a radius of one block around the buildings that Bussi was to enter. The demonstrators were thus unable to continue, and some 100 meters in front of the cathedral, on the corner of Congreso and Crisostomo Alvarez, a score of infantry troops, carrying bullet-proof shields, began driving them back with tear gas, rubber bullets, and clubs.

Amid the disturbances a woman identified as Norma Nieva was cut on the head by one of the blunt instruments used against the crowd.

According to police officials, six persons were arrested for a background check at police station one in the provincial capital. The Tucuman Police commissioner, Hector Sueldo, said that they had been arrested for "disturbing the peace in a public thoroughfare."

At Independence Square, the demonstrators continued their protest, behind a poster that read: "Votes do not cancel out crimes." Another placard read: "The person responsible for the kidnaping and disappearance of our loved ones is taking over as governor."

People also denounced Bussi's inauguration by wearing white and blue armbands with black crepe, as a symbol of mourning, and by releasing, amid a poignant silence, 500 white balloons with black ribbons bearing the names of some of the persons who disappeared in Tucuman during the de facto government.

Before the incidents, the demonstrators at Irigoyen Square held an art exhibit denouncing Bussi and displayed photographs of the missing.

In Buenos Aires, meanwhile, members of human rights organizations marched in Mayo Square. "Today is a day of national shame," said Mariano Robles, a leader of the group "Children for Identity and Justice Against Forgetting and Silence" (Hijos), which organized the demonstration.

Bolivia

Police, Military Clash With Peasants in Chapare

PY1611155795 La Paz Radio Cadena Nacional Network in Spanish 1100 GMT 16 Nov 95

[FBIS Translated Excerpt] The Chapare tropical region was essentially occupied by strongly armed military and police forces early yesterday morning to prevent a concentration of coca growers in (Sinahota) and to guarantee the forced eradication of coca plantations as of today.

The population of (Sinahota) is totally surrounded by police forces, Emeterio Colque, leader of the Special Federation of Chapare Coca Producers, told us by phone from the area. The union leader estimated that 1,200 military and police agents have been deployed in the area, basically to control the entrances to (Sinahota), where coca producers are concentrating, and which is located 150 km from Cochabamba.

We received the first news from Cochabamba on violent clashes in the Chapare region. Regrettably, a bullet killed a girl. She is a new victim of the violence unleashed in the Chapare region. Peasant leaders have called on their fellow producers to block all roads of access to the region, pointing out that the girl's body was taken away.

The partial result of the clashes between antinarcotics forces and self-defense committees in the coca growing areas of Ivirganzama, Chipiriri, (Vueltadero), and (Sinahota) was one person killed — a 13-year-old girl — a coca growers leader wounded, and more than six individuals arrested.

Francisco Fernandez, leader of the Carrasco Tropical Federation told us by phone from Ivirganzama, 210 km from Cochabamba, that the rally at (Sinahota) was

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dissolved around noon with tear gas, rubber bullets, and low flying helicopters. [passage omitted]

The coca growers federations were able to concentrate in diverse communities despite all police controls, and decided to resist to the end, regardless of the consequences, the forceful eradication of coca plantations, which was scheduled to start on 16 November. [passage omitted]

The government started to implement its policy against coca plantations with a heavy hand in order to prevent the United States from exerting pressure. Foreign Minister Antonio Aranibar confirmed that the National Council Against Drug Abuse and Illegal Drug Trafficking has decided not to extend the deadline given to peasants to reduce their coca plantations to less than two hectares per family because the U.S. ultimatum too is inflexible.

[Begin Aranibar recording] Political interests working against the country are trying to resist. We hope the situation will not lead to confrontations. The government does not want that, but.... [end recording]

A confrontation has already occurred as the result of the police-military mobilization in the Chapare region that resulted in the death of a 13-year-old girl and the wounding of various peasants. The confrontation occurred before the implementation of the so-called automatic eradication, the name the government uses to describe its renovated eradication strategy, because in practice it is a forceful destruction of coca plantations with economic compensation that will be imposed on all families with more than two hectares of land. The ultimatum's deadline was yesterday, and as of today, amid unrest in Cochabamba's tropical areas, the government will start mobilizing to complete the eradication of 5,400 hectares of coca plantations before 31 December in order to prevent U.S. economic sanctions. [passage omitted]

Minister of Government Carlos Sanchez Berzain said that the automatic eradication program seeks to reinstate social justice in the Chapare region because it will eliminate the plantations of large landowners.

[Begin Sanchez Berzain recording] When we speak about automatic and compensated eradication, we are speaking about a mechanism to reinstate social justice in the Chapare region, because coca growers who own up to two hectares do not have anything to worry about. We are talking about coca growers who have been eradicating, who will continue eradicating, and who will join the program of alternative development. The automatic and compensated eradication program will target people, or families, who own large coca plantations. They can properly be called coca barons. These people need a lot of investments in order to have more than two hectares of coca plantations, for which they receive a lot of money. [end recording]

It does not matter who is right; the truth is that violence has returned to the Chapare region. Yesterday a 13-year-old girl died, one peasant was wounded, and several coca growers were arrested.

National Telecommunications President Interviewed

PY1611174195 La Paz PRESENCIA in Spanish 6 Nov 95 p 6

[Interview with German Medrano, president of the National Telecommunications Enterprise, Entel, by Candido Tancara C. on 5 November; place not given]

[FBIS Translated Text] [Tancara] What projects will be implemented in 1996?

[Medrano] We are working on international, national, local, and rural network projects as well as entrepreneurial development projects. Our main efforts involve drawing up the 1996 budget, on which the operations program will be based.

[Tancara] What will be done with the international network?

[Medrano] We are reviewing the expansion of the Pacific submarine cable network. The Andean satellite digital network is the most significant project developed for the countries in our subregion. It involves a satellite multi-point system that saves money.

We will continue to pursue projects involving the Pan-American submarine cable, the renewal of subsystems at the Tiahuanaco ground station, and the possibility of our own satellite. We may reinstate the Simon Bolivar project, involving the five member countries of our subregion (Peru, Colombia, Bolivia, Ecuador, and Peru) [as published]. We will also investigate a fiber optics radio link between Bolivia and Chile. The installation of a fiber optics radio link among Bolivia, Argentina, and Peru has developed significantly. Of course, the most ambitious project involves a fiber optics link between Sao Paulo and La Paz to link the Pacific with the Atlantic.

We want to upgrade fax transmissions and expand international exchanges, digital radio links with Paraguay, and other services.

[Tancara] What about the national network?

[Medrano] We want to digitize the south, renew the digitalization of the domestic satellite system in northeastern Bolivia, expand domestic exchanges, replace regional exchanges, install new regional exchanges, dig-

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itize links, install a digital link between Trinidad and Santa Cruz, establish a main station for the domestic satellite system in Trinidad, and install mobile satellite services, a compressed digital television system, a fiber optics image system, and various other services.

[Tancara] What projects is the company planning to undertake in the local network?

[Medrano] We are thinking of expanding the fixed and mobile cellular phone system as well as projects involving cable television and other new services, besides upgrading telephone exchanges in rural areas. We want to interconnect all villages of more than 360 inhabitants and then launch a management development process.

[Tancara] What investments are planned for the coming years?

[Medrano] We hope to invest $140 million in 1996. We have funds to invest and are currently drafting an operational plan that will better define our investments. We intend to invest $140 million in 1996 and more than $200 million in 1997. We will thus put the $610 million that [the Italian company] STET International offered to good use as soon as possible.

[Tancara] Will investments be coordinated with telephone cooperatives?

[Medrano] The Italians seek immediate negotiations with the cooperatives, which would push investments to more than $200 million in 1996 if they enter direct negotiations, because the $140 million STET wants to invest will only be earmarked for ENTEL.

[Tancara] It is said that not much investment is needed in ENTEL and that a $610 million investment in a country with a population of 7 million is too much.

[Medrano] Investments next year may easily surpass $200 million. In 1997, $200 million will go for ENTEL. If investments in cooperatives are included, Bolivia will require $650 million over two years.

One of ENTEL's powers is to continue negotiating with the cooperatives that provide local telephone services. I would rather not suggest that the cooperatives are interested in negotiating with ENTEL. If they turn down the recapitalization project through STET International they will be forced to obtain fresh funds elsewhere because they will have to be be economically sound to meet the tremendous challenges posed by the presence of a powerful and strengthened company the size of STET.

[Tancara] Is ENTEL in a position to buy other telecommunications companies?

[Medrano] Yes. It can also recapitalize or privatize other telecommunications companies in Latin America. Financially speaking, we can purchase other companies. In Bolivia, STET holds a monopoly of investments abroad.

[Tancara] Should we appoint a telecommunications superintendent?

[Medrano] Yes, because this person must sign the concession contract with the Italian company on 27 November. STET and the Capitalization Ministry have already signed the administration contract and the contract for the purchase of ENTEL shares.

[Tancara] What will happen to your position on 27 November?

[Medrano] The Capitalization Act stipulates that the presidents and board members of state-run companies that will be recapitalized must resign and hand over the administration of these companies.

[Tancara] Will there be layoffs or the hiring of new personnel?

[Medrano] Rumor has it that a considerable number of workers will be hired — I do not know how many — to work in rural areas in the laying of cables, constructing new roads, installing repeaters, and other things. Rumor also has it that STET does not intend to bring Italians.

[Tancara] What is transferred being to STET?

[Medrano] The whole of ENTEL is transferred to STET because the latter is the partner that will contribute fresh funds and is in a position to undertake projects beyond 2000 to achieve a harmonious and sustained development with state-of-the-art technology and the provision of new services.

Brazil

Administration Urges Congress To Pass Patent Bill

PY1711024295 Sao Paulo FOLHA DE SAO PAULO in Portuguese 15 Nov 95 Section 1 p 8

[Article by Raquel Uchoa]

[FBIS Translated Text] The administration wants the patent rights bill to come into force at the beginning of next year. When President Fernando Henrique Cardoso summons Congress to continue working during its recess period (between 15 December and 16 February), he will include the patent rights bill on the agenda of the Chamber of Deputies for the mentioned period of time.

Even though the United States decided not to apply trade sanctions against Brazil — for not having a modern

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intellectual property rights bill — this year, the Brazilian Government will continue pressuring its Congress to approve a patent rights bill.

"The position of the U.S. Government has been friendly, by acknowledging that we are working on the subject. Congress, however, will not slacken its efforts because of this," said Senator Sergio Machado (Ceara), leader of the PSDB [Brazilian Social Democracy Party] in the Senate and government representative for the patent bill in the Senate.

"The U.S. decision will not have effects on the Senate. We were in a hurry to approve the bill and we will maintain the pace of our efforts," said Senator Ney Suassuna (PMDB-PB) [Brazilian Democratic Movement Party-Paraiba], rapporteur of the patent rights bill in the Senate CCJ [Constitution and Justice Committee].

The bill is still in the Senate. The government leaders want the Senate to approve the bill before November.

Next week the CCJ and the CAE [Economic Affairs Committee] will issue their respective opinions regarding the 24 amendments (suggested changes) presented by the Senators when the bill was about to be voted on in the Senate.

The Chamber of Deputies began discussing the patent bill proposed by the executive branch in April 1991. It was approved in the lower house in June 1991. The bill must again be voted on in the lower house because it was modified in the Senate.

The government hopes that the new discussion of the bill in the Chamber of Deputies will be fast. The Deputies have only one option: Either they approve the original text they first approved or the one approved by the Senate, without changes.

Pharmaceutical industries from developed countries accuse Brazil of copying patented medicines and not paying for their patent rights.

BC's Loyola Interviewed on Bank Mergers, Economico Bank

PY1611171595 Rio de Janeiro O GLOBO in Portuguese 10 Nov 95 p 25

[Interview with Central Bank President Gustavo Loyola by unidentified O GLOBO reporter on 8 November; place not given]

[FBIS Translated Text] [O GLOBO] Has the provisional measure [MP] that grants incentives to bank mergers and incorporation been specially drafted for the Economico Bank?

[Loyola] One of the reasons to create the Proer (Program to Encourage the Reorganization and Strengthening of the National Financial System) is the need to establish rules and mechanisms that will help in solving the Economico Bank problem. Three or four institutions, including a foreign bank, are interested in purchasing the Economico Bank. Nonetheless, no concrete proposal has reached the Central Bank [BC] desks yet.

[O GLOBO] What kind of institution would the Economico Bank be after the sale?

[Loyola] The idea is to have a bank with fewer assets and a smaller network of offices that goes into the market with positive capital. In order to do that, the creditors' support is required, including that of the pension funds. It is also necessary to reschedule the Economico Bank's debt with the BC.

[O GLOBO] Will the BC finance the Economico Bank debt, which totals 3.5 billion reals [R]?

[Loyola] Yes, it will. It will depend, however, on negotiations and investigations to establish the bank's real situation. The BC could finance, for example, R2 billion and receive a little more than R1 billion through the Economico Bank assets, public certificates, and the compulsory deposit held at the BC. The guarantee would be the credit the Economico Bank has with the Treasury.

[O GLOBO] What will be the interest rate and the term established for the financing?

[Loyola] In the past, the BC granted loans with monetary correction plus 8, 9, or 10 percent interest. As there is no more monetary correction, it will have to be the TR [Reference Interest Rate] plus an 8 to 10 percent interest, depending on the type of financing. If the BC is financing loans to the FCVS [Compensation Fund for Salary Variations], which yields a profit of the TR plus 8 percent interest, interest charged on this type of financing will stand a little above or a little below that. The term for these operations will be five to 10 years.

[O GLOBO] Won't Brazilian society have to pay too high a price for helping the banks?

[Loyola] The objective is to reduce costs and the impact the financial system problems have on account holders. If the Economico Bank is liquidated, the cost for the account holders and for the economy of the country will be greater. In addition, it will make the financial system more insecure. The BC wants to act before the situation becomes that bad. If this is not possible, the BC wants to find another solution that proves cheaper than liquidating the bank.

[O GLOBO] Is the BC thus willing to give prizes to the institutions that prove ineffective?

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[Loyola] No, because the BC has not considered the possibility of giving Angelo Calmon de Sa money to reestablish the Economico Bank. We are talking about handing the business to another capitalist.

[O GLOBO] The healthy banks that have adjusted to the low inflation rate think they are being discriminated against and that they will have no profit....

[Loyola] The banks that adjusted to the changes that have been occurring in the economy have profited, and those that didn't have been expelled from the market. Mr. Lazaro Brandao, who owns the Brazilian Discount Bank, will continue to be a banker, but Mr. Angelo Calmon will not. He will lose the bank and many lawsuits will be filed against him as a result of what has happened at the Economico Bank.

[O GLOBO] Do other countries help banks with public money?

[Loyola] In Japan, the banks have bad loans totaling $400 billion. This is why the Japanese central bank established a $100 billion assistance fund to make the reorganization of the financial system feasible. In the United States, the government spent $100 billion in the 1980's to prevent a generalized wave of bankruptcies of savings and loan associations.

[O GLOBO] Will the BC give money to solid banks interested in a merger?

[Loyola] No, only the banks that really need money will receive it. Those that do not really need money will be granted some advantages, however — such as a flexible operational limit for a certain amount of time, which will allow them to adjust to the current characteristics of the economy.

Finance Minister on State Debts, Banks

PY1611172495 Rio de Janeiro JORNAL DO BRASIL in Portuguese 12 Nov 95 pp 1, 2

[Article by Sergio Leo and Cristiano Romero]

[FBIS Translated Text] Brasilia — Finance Minister Pedro Malan has said that the government will enforce stiffer rules for controlling routine activities of financial institutions, and will punish bad managers. In order to prevent the repetition of cases like those of Economico Bank and Banespa [Sao Paulo State Bank], in which the Central Bank [BC] was compelled to order a management intervention, the minister is drafting changes to the Law for the Liquidation of Banks. This will allow the BC to compel managers to change their actions, invest more money in banks that are experiencing difficulties, or even hand over control of banks to more competent managers.

"Whoever plunges his bank into difficulties will lose share control," Malan said. The regulations of the Provisional Measure that will facilitate bank mergers and incorporations will displace bad shareholders, he added. Law of Liquidation No. 6024 must be modified because today the BC can take action only in cases wherein the situation of a bank is such that it should be either liquidated or placed under a temporary management regime or a trusteeship.

"In such cases, either the BC is charged with having taken action too early, leading to court trials and requests for compensation payment that can call for negotiations over a 10-year period, or the opposite charge is pressed: namely, that the BC action was too late," Malan said.

Agency

The new law that is under study takes into account the experience of other countries, in which an independent government agency, rather than the BC, is charged with supervising and punishing banks. Like BC President Gustavo Loyola, Malan too likes the Argentine example, where the BC can suspend the administration of a bank that is in trouble, setting a deadline of up to 90 days for resolving the problems or for selling or liquidating the bank. The BC will be authorized to summon the stockholders who are facing difficulties to compel them to change the management of their banks, increase their invested capital, or, in more serious cases, transfer control of the bank.

"The BC frequently summons the stockholders of banks that are in trouble to suggest changes, but the suggestions are not mandatory," Malan said. Although uncomfortable with harassment from the press, an attitude that earned him the reputation of being a hot-tempered person, Malan shows his peculiar sense of humor in his private life: In his office, he hung a framed paycheck from the time he was earning 3,100 reals [R], before the salary increase that pushed ministers' salaries to R8,000.

In an interview with JORNAL DO BRASIL, during which he filled his pipe on two occasions — the pipe was carefully concealed for the pictures — the minister referred to the reasons why the government issued the provisional measure on bank mergers. He repeatedly said it was the solution for getting rid of the problems affecting the banks being run by a trustee, like the Economico Bank, Banerj [Rio de Janeiro State Bank], Banespa, and other smaller banks. "We want to implement the program in the banks under temporary management control and under a BC trustee," Malan said.

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Explosive

The minister has devoted a considerable portion of his time to another sensitive financial problem: the growing debts of state and municipal governments. For the first time, Malan gave details of the government strategy to resolve the problem of the so-called domestic debt, the debt in securities owed by states, which is higher in Sao Paulo, Rio de Janeiro, Rio Grande do Sul, and Minas Gerais, and lower in Santa Catarina, Bai a, and Goias.

In August, the domestic debt stood at nearly R35 billion, of which Sao Paulo accounted for R16.5 billion, Rio de Janeiro and Rio Grande do Sul approximately R5 billion each, and Minas Gerais $6 billion. The solution will be based on the renegotiation of the Brazilian foreign debt, Malan said, adding that discounts will be applied to state debts. "Yet the main point is that of guarantees," he said.

Concerning the foreign debt, the government offered U.S. Government securities as guarantee for creditors. As for the negotiations over debts in state government securities, the federal government wants to link the guarantee to the privatization of the state-run companies of those governments, Malan said. States may be compelled to transfer to the government shares of their enterprises in order to reschedule the debts they owe to the financial market.

Highlights of the Interview With Minister Malan

— Banks

"The government reserves for itself the right to say what banks are strengthening the system. We want — and this is an article in the provisional measure — the program to be enforced regarding the banks submitted to a temporary management regime or placed under a BC trustee, such as Banerj, Banespa, Beron, Mercantil, Economico, and Comercial."

— Revenue Losses

"Current laws allow an enterprise to deduct, from its profits, 30 percent of the loss of the previous fiscal year. If the process produces sounder institutions with higher profit generation capacity, the loss caused by this deduction will be partly compensated by a tax on the higher net profit."

— Downsizing

"I have observed some incredible predictions, mere guessing, saying that only 70 banks would resist, that 100 — or half — of the financial institutions would close down. The restructuring could be of a much smaller dimension than the mentioned figures because it will be the result of private decisions. That does not eliminate the possibility that several small institutions will decide, in the future, to associate in order to survive. Ten years ago there were 14,900 banks in the United States. There currently are nearly 10,000 experts who foresee that that number could be reduced to 5,000 or 6,000 by 2010. In Argentina the number of banks dropped from 203 to 160 in a year, mainly as result of mergers and incorporations."

— Provisional Measure on Bank Mergers

"It was not motivated by any specific case. It was motivated by the obligation to facilitate the process that is under discussion with some of the banks that have been placed under trusteeship or that are under a temporary administration system. Besides, we must create possibilities to allow banks to restructure, which is an old demand."

— Trusteeships

"We want to modify Law 6024 on bank liquidations. Nowadays, when any problem turns up with capital, assets, efficiency, or liquidity (this happens quite frequently; we do not report on it because no Central Bank does) the main shareholder is summoned. He must then sign a consent to come; the Central Bank presents to him an analysis and tells him: 'From our point of view, you should modify the administration of your bank.' That is what we do, but what we say is not mandatory; the shareholder is free to take the advise or not. There is a second stage in which we tell him that he must modify his administration and increase his capital for the reasons explained in the report drawn by the Central Bank controller. There is a third stage in which the administration is modified, the capital is increased, and the composition of shareholders is modified."

— Help for the States

"We are discussing a fiscal streamlining program with resources from the Federal Savings Bank and with conditions for the governors. To tell the truth, the great expenses of the states are the Budget Revenue Advances (ARO) — loans obtained through the banks — which charge an average 5.3 percent monthly interest rate. It is a very high cost but the root of the problem is the operations to pay personnel. There are states that spend 85 to 100 percent of their income on paying their personnel. There is no use in only solving the problem of the ARO's."

— Conditions

"This streamlining program with resources from the Federal Savings Bank establishes conditions such as limiting personnel expenses to 60 percent of a state's income; not granting wage increases greater than those

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granted by the federal administration; a program to restructure the states' assets, with the privatization of public companies; and prohibition on granting new AROs."

— Privatization Fund

"In our discussions about the public debt, we studied the alternatives we adopted with the foreign debt and contracted debt that was rescheduled for the next 20 years with a 10-year extension. The most relevant problem would be to find an equivalent of the guarantee we gave to our foreign creditors through U.S. Treasury Bonds. Our most promising equivalent guarantee could be the restructuring of the states' assets, plus privatizations, together with income obtained from the sale of public companies, which could be used to reduce the debt principal or to make investments."

Government Revises GDP Growth, Other Projections

PY1711023995 Rio de Janeiro JORNAL DO BRASIL in Portuguese 16 Nov 95 p 11

[FBIS Translated Text] The Brazilian Government yesterday officially announced another revision of its economic team's projections for Brazilian economic growth in 1995. The initial estimate that, in 1995, Brazilian economic growth would amount to 5.6 percent of the GDP has now been reduced to "between 4 and 5 percent," in accordance with a statement made by presidential spokesman Sergio Amaral. The spokesman also noted that, contrary to last year, Brazil will have a public account deficit in 1995. Amaral declined, however, to specify the amount of the deficit provoked through excessive spending by the federal, state, and municipal administrations, especially in connection with interest and salary payments.

President Fernando Henrique Cardoso yesterday met at Alvorada Palace with members of the economic team, including the Central Bank [BC] president and BNDES [National Bank for Economic and Social Development] president Luiz Carlos Mendonca de Barros. Discussed at this meeting, among other issues, were the administration's accounts and the Brazilian economic prospects.

Although Labor Minister Paulo Piva attended the meeting, the unemployment issue was not discussed. Despite being in Brasilia, Industry and Commerce Minister Dorothea Werneck did not attend the meeting. She spent the morning sailing in Paranoa Lake.

According to Amaral, "the economic team unanimously endorsed" the economic performance evaluation made by Francisco Lopes, the BC economic policy director. Lopes repeated the administration's line about the steady decline of inflation, which is expected to stand at between 22 and 23 percent this year (only by 1997, it could drop to under 10 percent) and of interest rates, which are expected to drop from 62 percent annually early this year to 40 percent in December.

Amaral said these figures will not prevent the economy from growing by between 4 and 5 percent in 1995 and 1996 because inflation and interest rates will continue to decline. Yet Finance Ministry experts have made more pessimistic evaluations, and expect economic growth not to reach 3 percent. Amaral disregarded these projections.

Amaral attempted to minimize the impact of domestic and foreign debt interest payments to be made this year. According to government figures, these payments account today for nearly 32 percent of the GDP, while in 1991 they accounted for 40 percent. With the exception of Japan — whose net public debt accounts for 11 percent of its GDP — and of Germany, (31.8 percent), Brazil is in a better position than countries like the United States (37.7 percent), Italy (120 percent), the United Kingdom (44 percent) and Canada (64 percent).

Finally, Amaral emphasized Brazil's performance in the area of foreign trade, which in four years jumped from $50 billion to $100 billion annually, thanks to the opening of the Brazilian economy.

Chile

Argentine Foreign Ministry Official Views Bilateral Ties

PY1611223995 Santiago EL MERCURIO in Spanish 13 Nov 95 p C1

[FBIS Translated Text] The Chilean and Argentine Armed Forces will report to each other in advance the holding of military maneuvers on their respective territories and will permit the participation of observers in these military maneuvers.

The goal of the advance reports will be to establish confidence that the military exercises will not be carried out to threaten anyone but to maintain the efficiency of the Armed Forces. The advance reports will be aimed at reducing the resentments that could exist between the Armed Forces of the two nations, as a previous step to enhancing the relations between them.

This measure has been included in a memorandum of understanding that was signed in Santiago. In this memorandum of understanding, Chile and Argentina created a permanent mechanism on security issues between the two countries.

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Enrique de la Torre, the Argentine Foreign Ministry's international security, nuclear, and special affairs director, explained that this mechanism involves the two Foreign Ministries, the Defense Ministries, and the military leaderships. He noted that the mechanism basically places emphasis on the establishment of measures encouraging confidence between the two countries, whose main goal involves enhancing the ties existing between the two Armed Forces.

These measures are aimed at establishing a clear perspective on military movements as, for example, advance reports on military maneuvers and the participation of observers in these exercises.

De la Torre noted that there are a series of domestic and international events that have permitted significant headway for overcoming the disagreements that existed between Chile and Argentina and that, at a given time, nearly pitted the two nations against each other.

He stated that on the domestic front democracy was reinstated, while on the external front, the Cold War came to an end bringing in its wake a change on the international scene.

This enabled Chile and Argentina to move ahead in the settlement of territorial disputes and to increasingly integrate their economies.

De la Torre went on to say that both countries' Armed Forces also underwent changes as they came up against new challenges, including global security and the participation in UN peacekeeping forces.

The Argentine Foreign Ministry official further stated that the change in mentality led the Armed Forces to question themselves about their role, in the sense that they could no longer map out the defense of their territory in terms of an isolated territory which is not integrated into the world and which is engaged in conflicts with its neighbors.

De la Torre insisted that Argentina has in that sense effected a drastic change, possibly unique in the entire western hemisphere, since its Armed Forces wholly redefined their role within a democratic system of government. He said: "Our Armed Forces have acquiesced in and in fact, dismantled, the only medium-range missile in the region, namely the Condor-2. They have accepted a major cutback in the defense budget and have endorsed the concept of cooperative security, which entails the overcoming of conflicts. Moreover, they are permanently sending unilateral signals to all the other countries in the region in a move to show their spirit of cooperation and confidence, and the lack of disagreement.

According to the Argentine international security director, the Chilean Armed Forces will only stand to gain by a process similar to the one undergone by their Argentine counterparts.

De la Torre also underscored the increasingly closer relations between both countries' Armed Forces, which is going beyond the operational aspect and venturing into the political one, adding that this meeting of minds constitutes a very significant step forward.

De la Torre stressed that neither Argentina nor Chile is engaged in an arms race or seeks to outdo the other in military might. "We believe that in the search for openness, what helps is the absence of the need to guarantee security through the arms race or a buildup of weapons," he said.

He explained that security is achieved by generating certain political ties, relations, and openness, which imply the opposite process — namely, disarmament.

The Argentine Foreign Ministry director pointed out that, to that effect, Argentina has issued various signals, such as renouncing weapons of mass destruction: nuclear weapons, missiles, chemical and bacteriological weapons.

Argentina, Chile and Brazil, have signed the Tlatelolco Treaty on nuclear weapons, the Mendoza agreement on bacteriological weapons, and the Chemical Weapons Convention.

According to De la Torre, the next step in the rapprochement between Argentina and Chile entails deepening mutual trust, adopting measures promoting openness, and making military plans available to each other so as to generate confidence between both countries in security matters.

Defense Minister Interviewed on Current Issues

PY1611165295 Santiago LA TERCERA DE LA HORA in Spanish 4 Nov 95 p 14

[Interview with Defense Minister Edmundo Perez Yoma by Luis Diaz del Valle on the premises of the National Defense Social Security Fund on 3 November]

[FBIS Translated Text] [Diaz] What is the status of Brigadier Miguel Krassnoff Martchenko's assignment abroad?

[Perez Yoma] [War] Under Secretary [Jorge] Burgos already discussed this issue at length yesterday (3 November). It was merely speculation. A formal petition has not been filed, and there is nothing else to be added.

[Diaz] Do you have any power to prevent this appointment, if it takes place?

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[Perez Yoma] Well now, all these appointments are made by decree and the decrees are signed by the defense minister and the president of the Republic. From this viewpoint, I believe I do have power. I believe it is not worthwhile to continue to speculate on something that does not exist.

[Diaz] Concerning the adjustment program for the Armed Forces that the government has submitted to Congress, what is the real adjustment percentage?

[Perez Yoma] It is 14.5 percent.

[Diaz] Nevertheless, does this include the IPC [Consumer Price Index] variation, and is it a real percentage?

[Perez Yoma] We would have to review this issue. The inflation rate targeted for next year totals 6.5 percent. Therefore, it would involve 8 percent.

[Diaz] Nevertheless, if the Isapres [Institutes of Public Health and Preventive Medicine] contribution is taken into account, would the real adjustment not exceed 4 percent?

[Perez Yoma] If the inflation rate targeted for 1996 totals 6.5 percent and there is a 14.5-percent adjustment, the actual salary increase, adjusted for inflation, exceeds 100 percent.

[Diaz] What is the status of the relations between the government and the Army?

[Perez Yoma] Excellent, very good.

Colombia

President Invokes Measures To Guarantee Public Order

PA1611200095 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 1730 GMT 16 Nov 95

[From the "Colombia 12:30" newscast]

[FBIS Translated Text] Attention: President Ernesto Samper just moments ago invoked drastic measures to guarantee public order in the country under the state of internal disturbance. Jose Domingo Espinosa — who traveled with the president to Palanquero, Caldas Department, where said measures were just announced — spoke with us on the phone:

[Begin Espinosa recording] President Ernesto Samper took the opportunity during a ceremony marking the Colombian Air Force's 76th anniversary here, in Palanquero, to invoke drastic measures to control public order. The most important and controversial measure: The head of state empowered the military forces, governors, and mayors to evacuate villages and entire municipalities in pursuit of armed groups that are disrupting public order in certain regions. This evacuation and transfer of civilians is similar to a measure that President Alberto Fujimori took that allowed him to neutralize the Peruvian guerrillas. The package of measures includes the creation of an antiterrorism commission, which will address all violent acts and draft an antiterrorism bill. This commission will be made up of the interior, justice, and defense ministers; the director of the Administrative Department of Security; delegates of political parties represented in Congress; and the juridical secretary of the presidency. President Samper announced a 2 billion peso reward to anyone who identifies the assassins of former presidential designate Alvaro Gomez Hurtado. Another control measure is the precautionary seizure of guerrilla property [words indistinct] financial sources of the guerrillas based on illegal activities, such as extortion and kidnapping. Samper finally said that beginning in 1996, security forces will appear in 72 municipalities in which they are not already stationed. [end recording]

Plan To Blow Up Prosecutor General's Office Uncovered

PA1611181295 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 1730 GMT 16 Nov 95

[Report by Francisco Morales; from the "Colombia 12:30" newscast]

[FBIS Translated Text] This is a special 12:30 newscast bulletin. A terrorist plan to destroy the installations of the Regional Prosecutor General's Office in Santa Fe de Bogota was uncovered by the authorities today.

The blueprint of the Regional Prosecutor General's Office building was found inside a cell at the high-security prison at the Modelo Penitentiary in Santa Fe de Bogota. The building was to be attacked this week.

The plan was to plant in each one of the bases of the building a total of 50 kg of dynamite with the purpose of blowing up the structure. The plan also included the introduction of the dynamite load through a door, which is frequently used to supply the building with merchandise.

The authorities immediately drafted a report on this terrorist plan so that the prosecutor general himself could adopt the necessary measures. Yesterday, several prosecutors asked to be transferred from this building because of lack of security. Today the authorities are conducting a series of raids to determine who are the persons interested in carrying out this plan.

Security measures were heightened at the Regional Prosecutor General's Office today.

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Magistrates Receive Death Threats, Blame Politicians

PA1611132995 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0030 GMT 14 Nov 95

[From the "AM/PM Newscast"]

[FBIS Translated Text] The Constitutional Court has received death threats and its president blames irresponsible politicians for placing the judiciary institution in the line of sight of fanatics.

Jose Gregorio Hernandez, president of the Constitutional Court, said the magistrates of the Constitutional Court have received death threats. Ever since the Constitutional Court declared unconstitutional the internal disturbance decree, these threats have become more frequent. The president of the court accused politicians of being responsible for these threats, in the wake of the statements made to the media about the court's decisions.

[Begin Hernandez recording] Those irresponsible politicians, who do not measure the consequences of their words, are placing the magistrates of the Constitutional Court in the line of sight of fanatics and criminals, who may attempt against the integrity or lives of those magistrates at any moment. [end recording]

The politicians, however, have responded to the court.

[Begin Senator Luis Guillermo Giraldo recording] We have engaged in updating and establishing a sound basis to the decrees against criminality, while the Court has been opposed to such decrees. Therefore, those who could be left in the line of sight of those criminals are congressmen, who criticize the court for those decisions, which in the final instance, favor criminality. [end recording]

In the wake of these threats, during a meeting held by directors of the Police, of the Administrative Department of Security, and magistrates of the Constitutional Court, some measures were adopted, such as to increase the number of bodyguards and to tighten security in the court building.

Judge Agrees on Former Campaign Treasurer's House Arrest

PA1611184695 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0000 GMT 15 Nov 95

[From the "Seven O'Clock" newscast]

[FBIS Translated Text] House arrest for Santiago Medina, Ernesto Samper's former campaign treasurer, is almost a foregone conclusion. The faceless judge who heard his case has decided to approve the conditional agreement between the Office of the Prosecutor General and Medina. Although the faceless judge who studied the request for Medina's house arrest in view of his cooperation with justice authorities in Case 8000 did not raise any objections to the agreement between the Office of the Prosecutor General and Medina, he set three conditions:

1. The place where Medina will be kept — that is, his home — must be put on record.

2. The dates of appearances before the prosecutor must be established.

3. The Office of the Prosecutor General must set the bail that Medina must pay to leave Modelo Jail.

In addition, an agreement for a commitment leaving on record the aforementioned conditions must be signed. The Penitentiary and Prison Institute will be in charge of Medina's custody.

Daniel Mazuera To Form Political Movement

96P20093

[FBIS Media Note] Daniel Mazuera, who resigned as foreign trade minister on 8 November, has announced he will participate in forming a new political movement based on the principles of "order, justice, and authority," according to Santa Fe de Bogota EL TIEMPO of 9 November. His resignation and subsequent announcement come one week after the assassination of Alvaro Gomez Hurtado, founder of the National Salvation Movement [MSN] faction of the Conservative Party and Mazuera's uncle.

In his letter of resignation, published in EL TIEMPO, Mazuera said his decision is the result of the "tragedy for Colombia" caused by Gomez' assassination. He affirmed that his "duty" now is to ensure that this sacrifice is not "in vain" and that the "political ideas we profess" do not "disappear," adding that he hopes these ideas will offer a "genuine alternative to power" in Colombia.

In statements to EL TIEMPO, Mazuera said his decision to resign is a personal one and he does not expect it to prompt the resignation of other Conservative ministers. He said he will participate in the formation of a political movement incorporating Gomez' ideas. While describing the future movement's stance toward the government as "constructive," he said the movement will present itself as a political alternative in the next election. Asked who would head the new movement, Mazuera responded that the "flag" is the important thing, "not who carries it."

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Although Mazuera was expected to withdraw from the government this December, according to EL TIEMPO, his resignation is viewed as a blow to the government because of its timing—just 24 hours after President Samper proposed a national accord against violence. Samper had compared the proposal to Gomez' idea of an "agreement regarding the fundamental things", the paper reports.

Mazuera refused to comment on the proposed accord, saying only that it "lacked precision." By contrast, Senator Enrique Gomez Hurtado, Alvaro's brother and MSN leader in the Congress, has said that, while he agrees with the idea in principle, he will not back an initiative aimed at sustaining a government that has "lost all national credibility," according to EL TIEMPO of 8 November.

Ecuador

Army Commander 'Unsatisfied' With Democracy

PY1711021995 Madrid EFE in Spanish 1456 GMT 16 Nov 95

[FBIS Translated Text] Quito, 16 Nov (EFE) — The local press reported today that General Paco Moncayo, commander in chief of the Ecuadoran Ground Forces, has said that he is unsatisfied with the performance of democracy in the country, and criticized the current lack of leadership and incapacity to rule the state.

The Armed Forces "of course are not satisfied with what democracy is in a country like ours," Moncayo said during the seminar "Armed Forces, Democracy, and Development" held on Wednesday night at the Catholic University of Quito.

"We are living within a political framework filled with corruption, absolute lack of leadership, lack of perspective, lack of capacity to lead the country toward better goals for the benefit of the people," the commander said.

"One cannot live in democracy with absolute hunger, misery, and ignorance," the Army commander said. He added that "in our country we are living under a democracy with a political and legal system based on fragile pillars."

During his participation in the seminar, Gen. Moncayo said that in Ecuador the greatest social developments have been achieved with military governments, and for this reason, he said, "we have an old commitment with the country's development."

"We hope this democracy is strengthened and expanded," although "to establish its prestige and legitimacy as a political system one must get rid of the terrible barriers that produce and create corruption," the most influential officer of the Ecuadoran Army said. He also demanded a national project that might be the fruit of consensus among all sectors of society.

During the same seminar, sponsored by the Army War Academy and the Catholic University of Quito, among others, General Jose Villamil, chief of the Army staff, asked whether the country is really living in democracy.

Villamil said that "we all know the answer," and added that "what we call democracy in Ecuador has not allowed justice, which is its essential cause and effect; or development, which its objective; and security, which is its hope."

Moreover, he added, the "increasingly stronger hegemonical power groups which prevent society's access to the decisions for their own destiny, remain."

The country is living through a political crisis which has reached its peak point with the criminal action filed in August against then Vice President Alberto Dahik, for presumed unlawful use of discretionary funds of the Vice Presidency.

Dahik fled from the country on 11 October, a few hours after the Supreme Court of Justice issued a preventive arrest warrant against him.

Foreign Minister: Direct Talks With Peru Sought

PY1711020395 Quito Voz de Los Andes in Spanish 2300 GMT 16 Nov 95

[FBIS Translated Text] Ecuadoran Foreign Minister Galo Leoro said today that in the meeting with his Peruvian counterpart Francisco Tudela next January in Lima, an effort will be made to agree on the means for Ecuador and Peru to carry out direct negotiations.

Leoro said, however, that an evaluation of the differences between Ecuador and Peru does not necessarily mean that there will be immediate agreements. Leoro added: Other problems may emerge over current differences and to find a solution we must have the support of the guarantor countries.

Even though he did not discard the possibility that other nations may join the guarantor countries in the direct negotiations in case it is necessary, Leoro preferred not to express an opinion. Leoro added: It is still difficult to express an opinion because negotiations must be held with Peru first.

Officer: Peace Process With Peru 'on Right Path'

PY1711020595 Quito Voz de Los Andes in Spanish 2300 GMT 16 Nov 95

[FBIS Translated Text] General Cesar Duran, Ecuadoran liaison officer in the peace negotiations with Peru,

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said today that the pacification process between Ecuador and Peru over a territorial dispute at the Amazon border region that has not yet been demarcated, is on the right path.

General Duran said: We are on the right path. We have reached the appropriate level of trust and we hope that justice will be done in the future negotiations on the Ecuadoran rights over that territory.

He recalled that Article 6 of the Itamaraty Peace Declaration points out that after enough mutual trust has been developed, the issues directly related to the definitive solution of the territorial conflict must be discussed.

Peru

Fujimori Comments on Brady Plan, Economic Development

PY1611224495 Lima LA REPUBLICA in Spanish 2 Nov 95 pp 4, 5

[Report by Marlene Macedo]

[FBIS Translated Excerpt] President Alberto Fujimori said yesterday that one of the immediate consequences of the signing of the Brady Plan will be that Peru will "save" $5 billion of its total debt to foreign banks.

Without hiding his satisfaction for the success of the first stage of the negotiations Fujimori recognized, however, that the sole negative aspect of the affair will be that the price of Peruvian debt securities will increase.

Fujimori said the increase was expected and it will not create a current that will push the (dollar) foreign exchange rate up.

Fujimori said categorically: "No way, the price of the dollar will not go up."

Fujimori made a stop during his untiring tour of Los Olivos, Puente Piedra, and Zapallal to deny the resignation of Economy Minister Jorge Camet.

"I categorically deny the report," Fujimori said referring to the information disseminated yesterday by a known local daily columnist.

The president said the journalist did not consult with a reliable source before writing his article.

"He has not talked with me or with Minister Camet. He probably wrote that article because he had to write something," he said later, away from television cameras.

"I confirm that Camet has all my support and the trust that a minister that conducts a series of very successful negotiations, including the negotiations on the Brady Plan, deserves."

The president was disinclined to talk to reporters, but after five hours inspecting schools, sanitation works, and water reservoirs, he decided to comment on some issues.

I prefer not to talk about Yoshiyama.

Before starting the interview, however, the president said that he would not comment on Lima's municipal elections and the race between Alberto Andrade and Jaime Yoshiyama for Lima's city hall or about the congressional decision to deprive legislator Javier Noriega Febres of his immunity.

Fujimori said that the first steps to join the Brady Plan have been "a success."

The president said that reducing the debt with 250 foreign banks by $5 billion, which is really a "fabulous" amount, represents a real success.

The president avoided using the confusing vocabulary of experts to explain that the history of our debt with foreign banks started in 1983 when former President Fernando Belaunde decided to stop paying this group of creditors.

At that time the debt was $4.4 billion, but the figure has doubled after 12 years and now totals over $10.16 billion.

The president said that this debt has increased in excess not only because of the interests, which are proper in any debt, "but because of the interests on interests and penalties."

Fujimori said that the $5 billion deduction includes a $3.5 billion reduction on total interests and a 45 percent reduction of the original debt.

The president said that the negotiation has made the debt drop instead of increasing.

Asked about the concern expressed by entrepreneurs, who in the past few days have asked for more information on how this debt will be paid and the advantages of signing the Brady Plan for the country, Fujimori said: "The information will be released shortly."

The president said that the government will issue an official communique explaining how the discounts will be made, how bonds will be issued, etc.

Fujimori said that he will reveal an important number of the details contained in the report during the upcoming entrepreneurial meeting Cade 95 [expansion unknown] that Ipae [Peruvian Institute of Business Administration] will organize in Cusco this year.

Fujimori said that one of the first disbursements that we must make is "the down payment," which will

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be financed by the World Bank, the Inter-American Development Bank, and possibly, the IMF.

"This down payment will be paid off in 20 years. Next year we will start paying the installments, which will be amounts that the national budget can finance."

Fujimori stressed that the negotiations to join the Brady Plan have not concluded, adding that we still have a good stretch to cover.

"What we have is a framework for joining the Brady Plan. Once this chapter is concluded we will start negotiations with each one of our creditor banks," the president said, adding that those talks must stay within the established parameters.

Asked about the time required to negotiate with the 250 banks, Fujimori said that it will not be too long "because all we have to do is formalize the Brady agreement with each one of them."

"Perhaps four or five months," the president said.

Regarding the concern of a group of economists who wonder if the Brady Plan will cause a change in government economic policies, President Fujimori categorically said: "No."

"No. Absolutely not. On the contrary, the signing of the agreement will attract more capital at lower interest rates and producers will get cheaper credits." [passage omitted]

Congress Repeals Article on Right to Information From Press

PY1611224695 Lima EXPRESO in Spanish 3 Nov 95 p A6

[FBIS Translated Excerpt] The Congress yesterday unanimously approved a draft bill submitted by Congressman Antero Flores-Araoz (PPC) [Popular Christian Party] derogating norms that facilitated the application of habeas data [right to information] petitions against the press.

The bill has a single article that derogates Article 5, Item "B," of Law 26301 establishing the requirements for filing a petition of habeas data when a person wants to enforce his right to rectification in the media.

Flores-Araoz argued that the Constitution was amended to prevent the use of that petition in cases of rectifications in the press and it was necessary to derogate the norm making its application easy.

"The derogation is another step forward in the consolidation of a total and unrestricted freedom of the press and it guarantees that there will be no hurdles preventing the application of these principles," the congressman said.

Flores-Araoz added that his bloc will continue sponsoring the amendment of diverse articles in the Penal Code that "still contain hidden threats against the free exercise of the rights to freedom of the press and freedom of opinion." [passage omitted]

State of Emergency Extended in Four Provinces

PY1611224995 Lima EXPRESO in Spanish 5 Nov 95 p A16

[FBIS Translated Text] On 4 November, the government extended for 60 days the state of emergency in four provinces of the jungle region, because the situation there still causes domestic unrest.

It has been asserted that the measure was adopted "to complete the pacification process" in the region where trafficking gangs and some remnants of terrorist groups are active.

A decree signed by President Fujimori and published on 4 November in the Peruvian official gazette EL PERUANO states that the Armed Forces will control order in these regions.

It adds that the state of exception will be observed in Padre Abad and Coronel Portillo Provinces, Ucayali Department, in Ucayali Province, Loreto Department, and in Puerto Inca Province, Huanuco Department.

Shining Path Seeks Amnesty Protection for 'Subversives'

PY1511232495 Lima LA REPUBLICA in Spanish 27 Oct 95 pp 6-7

[FBIS Translated Excerpt] Shining Path members who are in favor of the peace agreement proposed by Abimael Guzman Reinoso have asked the government that the Amnesty Law which favored the military, police, and peasant defense patrol members who committed crimes during the antiterrorist war, be extended so as to include subversives who committed similar actions.

In a statement recorded on a video, Comrade "Carolina," leader of the PCP-SL [Peruvian Communist Party-Shining Path], on behalf of the Medium South Base of the organization, states that for the consolidation of the pacification process, Law 26479 must be extended in order to release those sentenced and tried for terrorism and high treason.

That law allowed the release of officers sentenced for the murder of nine students and a professor from La Cantuta, as well as other officers who are facing trial,

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are being persecuted, or punished for crimes committed or abuse of power committed during countersubversive operations, such as Navy Captain Jose Artaza Adrianzen, accused of the Pucayacu manslaughter and of the disappearance of our correspondent Jaime Ayala Sulca; and Captain Telmo Hurtado Hurtado, perpetrator of the multiple crime in Accomarca, and many others.

"Carolina" explains: "President Fujimori has said that there is hatred and resentment on both sides and that this hatred would never end if we join one or the other side of the balance. We are living through times when all Peruvians are demonstrating whether they are being guided by higher principles or by selfish interests. We believe that the scope of the Amnesty Law must be extended because a peace agreement is essential to truly benefit Peruvian society as a whole."

According to the manuscripts that are circulating in prisons among Shining Path members who are in favor of the peace agreement — LA REPUBLICA has a copy of this manuscript — these subversives point out "as a basic proposal" the "release of all war prisoners (this is what they call the arrested subversives) according to the timetable, regardless of whether they have been sentenced or not because of the popular war." [passage omitted]

Venezuela

Government, Congress Extend Current Budget Until Mar

PA1611162695 Caracas Venezolana de Television Network in Spanish 1545 GMT 14 Nov 95

[FBIS Translated Text] The government and the Congress have agreed to keep the 1995 budget in effect until March 1996, because efforts to approve next year's expenditures budget were futile. Finance Minister Luis Raul Matos Azocar and Gustavo Pardo Briceno, chairman of the Chamber of Deputies' Finance Commission, made this announcement at Miraflores Palace after an emergency meeting that the government summoned.

This decision was made because of a lack of time to sanction the new bill, which according to the basic budget law, should be approved before 30 November:

[Begin Matos recording] We have the great opportunity of making a comprehensive reform of public finances in 1996. This is the modernization process contained in the Venezuelan Agenda. We want to discuss tax proposals with the Congress. [end recording]

The finance minister ruled out application of the announced property tax, because there is neither political willingness nor enough time to approve it.

Minister: Colombian Counterpart's Remarks 'Out of Context'

PA1611214095 Caracas EL UNIVERSAL in Spanish 14 Nov 95 pp 1-10

[FBIS Translated Text] Foreign Minister Miguel Angel Burelli Rivas found some of the remarks made by his Colombian counterpart Rodrigo Pardo to reporter Roberto Giusti regarding the latest border problems somewhat out of context.

The official was specifically asked about Pardo's statements to the effect that "the presence of poppies on the Venezuelan side of the Perija Mountain Range concerns us, because they cross over into Colombian territory at any time."

With that statement, the Colombian minister is trying to pin responsibility for the spread of border drug crops on the Venezuelan side.

Although there are some good things in what he said, others caught my attention. I think that some of these remarks seem to have been made before the two foreign ministers issued the 3 November agreement, he said.

In the opinion of Burelli Rivas, certain remarks appear superseded or untimely, since they refer to incidents the governments have already agreed to investigate.

At any rate, we will meet on the 16th [month not given] in Puerto La Cruz, and at that time we will clarify whatever needs to be clarified, the official stated, referring to his meeting with Pardo within the framework of the Colombian-Venezuelan presidential commissions on border affairs.

CTV Anticipates Turmoil, Declares 'State of Emergency'

PA1611195695 Caracas EL GLOBO in Spanish 15 Nov 95 p 2

[Report by Luis Alejandra Garcia]

[FBIS Translated Text] The Venezuelan Workers Confederation (CTV) has agreed to declare a state of emergency — given the serious labor crisis which, according to data handled by the workers organization, is above 20 percent and, among other things, could result in social turmoil.

In this sense, CTV President Freddy Iriarte said that urgent and immediate solutions are required for a series of labor problems, as follows:

— According to Labor Code tabulations, since 1 April 1995 over 11 billion bolivares are owed to the workers. This is a result of the wage scale increase. Additionally,

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a 20- and 10-percent increase on wages was established, in staggered payments, including food and transportation bonds, which most benefited workers have yet to receive.

Iriarte added that among cases of breach of contract "which disrupted social harmony" are the court workers of the Caracas Metro, CANTV [National Telephone Company of Venezuela], CADAFE [Electrical Administration and Development Corporation], INOS [National Institute for Sanitation Works], educators, workers of the race track, Social Security, National Airports Institute, IPOSTEL [Postal and Telegraphic Institute of Venezuela] "and many others which would be to long to enumerate."

— As if this were not enough, and what is most painful, is the case of the public administration retirees and pensioners of the Venezuelan Social Security Institute, who have not received their monthly allotments for a long time and are on the verge of despair. The same occurs with the insurance on compulsory strikes, whose beneficiaries have not been paid.

— As for the dismissals in public administration, the CTV believes the government is creating a climate of uncertainty, anguish, and alarm, because it claims it is an indiscriminate process. The CTV cites as an example the list of officials of the Federal District Governor's Office.

The CTN notes that added to this factor of unemployment is the layoffs in the private sector "where over 1,000 companies have left their workers out on the street."

— There are also 3,000 former public administration workers who have been waiting since 1992 to have their social security benefits paid. Thus far, the Social Security Fund, which falls under the Finance Ministry, has not fulfilled this legal and contractual stipulation.

The CTV highlights the case of the Monagas Sugar Plant, which was privatized "and closed in a short period of time."

Thus far, its workers have not been paid, much less received social security benefits. This situation that affects Venezuelan society has obliged the CTV to declare a state of emergency situation in anticipation of the serious social conflicts that are being promoted by the profound crisis, the high cost of living, speculation, low wages, and unemployment. Iriarte concluded that the worker class cannot shoulder any more taxes than those it must now pay.

CTV, Fedecamaras Reject Possibility of Additional Taxes

PA1711024695 Caracas Venezolana de Television Network in Spanish 1545 GMT 16 Nov 95

[Report by Zayda Pereira]

[FBIS Translated Text] Freddy Iriarte, acting president for the Venezuelan Workers Confederation [CTV], said that right now Venezuelan workers have to make payments to the social security fund, forced stoppage insurance, housing policy, income tax, union dues, and many of them also contribute to the saving fund. Thus, a new tax would considerably reduce their income.

[Begin Iriarte recording] We reject all attempts for new taxes to workers because current taxes already take up 20 percent of our pay. In view of the deteriorated salaries, we cannot tolerate new taxes. [end recording]

Fedecamaras [Venezuelan Federation of Associations and Chambers of Commerce and Industry] representatives are also against any new taxes that can be levied not only on the workers but also on the economic sector, both of which are sufficientiy hard hit already.

[Begin recording] [Fedecamaras President Jorge Serrano] We have made a commitment according to what Seniat [Integrated National Service for Tax Administration] has said: Help avoid tax dodges as much as possible. If nowadays tax collection is 40 percent, increase it 10 points, 20 points, or 30 points, until 100 percent is reached. We are committed to this. But this does not mean we accept new taxes.

[Fedecamaras Vice President Aurelio Concheso] If Seniat collected not 100 percent but 70 percent of what it is empowered to collect, there would not be a fiscal deficit. [end recording]

Regarding the Venezuela agenda, Fedecamaras believes that no headway has been made in view of the fact that the commissions formed in the Finance Ministry have not even met once.

Exchange Administration Board Members Resign

PA1611162595 Caracas Venezolana de Television Network in Spanish 0200 GMT 16 Nov 95

[FBIS Translated Text] Once again, the members of the Exchange Administration Board [JAC] have resigned their posts as a result of a generalized lack of foreign exchange to meet the demands of the various sectors of the national economy. Their resignation coincides with the imminent lifting of exchange controls demanded by multilateral organizations within the framework of the Venezuela Agenda.

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JAC member Domingo Maza Zavala said that a change is necessary in view of the country's situation and the condition of the exchange system itself. He added that in his opinion, the crisis must be faced as it should, as an overall problem and not with isolated measures. This, he stressed, has not been done, and therefore a change of policy is necessary.

[Begin recording] [Maza Zavala, in progress] ...a change of all policies, not only of the exchange policy.

[Unidentified reporter] Releasing controls?

[Maza Zavala] No, not releasing controls, but restructuring public policies related to currency, credit, banks, finances, national treasury, the exchange and economic systems. We need an overall strategy to face the profound crisis the country is facing. Those policies, however, must have the political and social support of national majorities. [end recording]

Maza Zavala noted that the JAC members have not received a reply from President Rafael Caldera. Meanwhile, he said they will remain in their posts until their replacements are named.

Government To Guarantee Benefits for Dismissed Workers

PA1611204595 Caracas Venezolana de Television Network in Spanish 1545 GMT 16 Nov 95

[FBIS Translated Text] The executive branch will guarantee the social benefits of public administration workers who will lose their jobs as a result of a government reorganization process. The executive branch has full confidence in the country's recovery; thus, workers left out of public administration should obtain jobs in the private sector with the guarantee that they will receive training in specialized courses that will enable them to occupy other posts:

[Begin recording of Central Information Office (OCI) Minister Fernando Egana, identified by caption] As for OCI, a decree was approved that orders the administrative reorganization of this institution, along with the autonomous services that are under it — namely: the national printing press, official gazette, Radio Nacional de Venezuela, and VENPRESS. [end recording]

Meanwhile, Health Minister Roberto Rondon Morales assured that the reorganization of his institution requires a payroll reduction of about 4,000 officials at headquarters:

[Begin Rondon recording] This will imply a basic and structural reorganization, because to the extent that the Ministry is further decentralized it should become a regulatory and controlling political body. This will also imply a personnel reorganization that will require a payroll reduction of about 4,000, mainly laborers and adminstrative personnel with little academic training. [end recording]

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